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Wednesday 18 May 2016

Standing Committee on General Government

Smoke-Free Ontario
Amendment Act, 2016

Assemblée législative de l'Ontario

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Journal des débats (Hansard)

Mercredi 18 mai 2016

Comité permanent des affaires gouvernementales

Loi de 2016 modifiant la Loi
favorisant un Ontario sans fumée



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Wednesday 18 May 2016

Mercredi 18 mai 2016

*The committee met at 1602 in committee room 2.*SMOKE-FREE ONTARIO
AMENDMENT ACT, 2016LOI DE 2016 MODIFIANT LA LOI
FAVORISANT UN ONTARIO SANS FUMÉE

Consideration of the following bill:

Bill 178, An Act to amend the Smoke-Free Ontario Act / Projet de loi 178, Loi modifiant la Loi favorisant un Ontario sans fumée.

The Chair (Mr. Grant Crack): Good afternoon, everyone. Good afternoon, members of the committee, Clerk, legislative research, members of Hansard, ladies and gentlemen.

I'd like to call the Standing Committee on General Government to order. Today, we are going to continue hearing from deputants concerning Bill 178, An Act to amend the Smoke-Free Ontario Act.

CANADIANS FOR FAIR ACCESS
TO MEDICAL MARIJUANA

The Chair (Mr. Grant Crack): Today we have, as our first presenter, from the Canadians for Fair Access to Medical Marijuana, Mr. Jonathan Zaid, founder and executive director. We welcome you, sir—into the middle, please.

As per the motion passed by committee last week, each presenter has up to 10 minutes for their presentation, followed by three minutes of questioning by each party.

So, we welcome you, sir. The floor is yours for up to 10 minutes.

Mr. Jonathan Zaid: Thank you so much for having me. My name is Jonathan Zaid. I'm the founder and executive director of Canadians for Fair Access to Medical Marijuana, a non-profit, federal organization that advocates for patients' rights.

I'm a patient myself. I've been sick for nine years with new daily persistent headache, a chronic neurological pain condition that causes daily, 24/7, totally unremitting headaches as well as migraines and sleep problems. I've tried pretty much every medication possible, over 45, and all different treatments until finally turning to medical cannabis and finally finding relief that has allowed me to go to the University of Waterloo and be as student, and

also now advocate for other patients' rights. So I really owe a lot to medical cannabis.

I use a vaporizer, which is a Health Canada recognized medical device. I'm prescribed medical cannabis by a physician and order it through the Health Canada system. This device vaporizes the cannabis to a temperature that doesn't cause combustion or smoke, therefore reducing any respiratory irritation that occurs from smoking. It allows you to inhale the medication.

Really, this is what Bill 178 is after. It fundamentally limits patients' rights to use their medical devices to administer their medicine. It's like taking away the syringe from a needle and trying to administer the medicine. You need a vaporizer. You need something to administer. You can't just use the raw product that's available.

Vaporizers and inhaling cannabis have a distinct purpose that physicians are currently prescribing, which is that it has a near-instant onset of action. If you ingest cannabis through oils or other products, it takes a few hours to take effect.

When you look at someone like a pediatric epilepsy patient who is trying to abort a seizure, they don't have three hours to wait to take oil. If they're in some enclosed space or inside, they need to use that right away. It's not like telling a smoker, "Just go outside to smoke;" we're talking about medicine here. It's a distinct difference that needs to be made. Bill 178 doesn't recognize that cannabis is being used as a medicine, and that's what the membership of CFAMM is concerned about.

Really, we need to focus on patients' needs and allow for exemptions. If employers or other business owners want to accommodate medical cannabis, they need to be able to do so, and Bill 178 doesn't allow that. It doesn't allow for emergency usage. It forces people to go outside and be penalized if they have to use their medicine, even if they have no choice.

Patients need to be able to use vaporizers—and really, they have no other options. Most patients using medical cannabis are at the end of the line, kind of like I was when I found medical cannabis. They have no other therapies available. This is the only thing that works for them. You're taking away the device to use it, and that makes it impossible to use for some of these patients. That's not acceptable.

One thing that was kind of lost in the media translation of the exemption that was originally put into place for medical cannabis was that patients have always had the

right to smoke or vaporize their medicine in Ontario. There haven't been any regulations preventing that. We haven't seen a huge problem with that. We haven't seen patients flocking to playgrounds and movie theatres and causing huge problems. There have been a few isolated cases, as with anything, but there isn't a huge cause for concern.

Really, the other big thing that the public reacted to was the public health risk. There is not a public health risk with vaporized cannabis in the same way that there is with tobacco products. They're unique substances. Some of the research that I've provided will demonstrate that cannabis is a unique substance. Especially when used by a vaporizer, it eliminates pretty much all of the risk associated with potential compounds that could harm others.

I don't see any problem with when an employer or business wants to say, "Okay, you can use your cannabis. Maybe you can go over there so you reduce the nuisance of smell for our other patrons." What's the problem with that? It's not causing harm to anyone else, but it's allowing the patient to use their medicine.

If you think of certain other instances like at an airport, you can't use your medicine. I recently traveled to Ottawa for some advocacy. I really struggled because my flight got cancelled and I had to sit in the airport for hours, and I couldn't do anything about it. There's nowhere for me to use my medication, and if I have break-out pain, then I may need to use it right away. Luckily enough, I was able to manage it and didn't need to in that instance, but that's me personally. What about someone with epilepsy or someone with extreme nausea from chemotherapy trying to reduce their nausea? It's not so simple to just say, "Go outside and use your medicine," as it is with smokers.

It really comes back to the public risk as well. Cannabis vaporization is simply a nuisance. It is not a risk. The associate health minister determined that as well, that there is no evidence to show harmful effects to the public from second-hand vapour. There's really no reason to be treating it in the same way as other tobacco products.

That sums up all of my points, but I think it's really important to keep in mind here that this is a medicine and this is being used by patients for medical purposes. They've always been respectful of that and kept in mind that there could be some problems with odour. That's why we haven't seen so many problems until now.

But there need to be exceptions in place to allow friendly businesses to accommodate medical cannabis and for workers to be able to do it—and other places as well. For example, during an exam, you're not allowed to go outside because you can't, obviously, during an exam, but with a medical condition, you get extra time. It could be four, four-and-a-half hours. That's a long time to not have access to any medication. There is no public health risk to the school accommodating a student by allowing them to vaporize in a private, enclosed room, but the bill wouldn't allow for that.

There need to be exceptions in place for patients to use their prescribed medicine.

1610

The Chair (Mr. Grant Crack): Thank you very much, Mr. Zaid, for your presentation before committee this afternoon.

When we wrapped up, members of the committee, on Monday, the last round had started with the official opposition so we're going to start the next round with the third party. Ms. Gretzky will start it off.

Mrs. Lisa Gretzky: I'd like to thank you for coming to present to the committee today. I just want to touch on what you spoke about, about having access to your medication, that there are differences between whether you ingest it or inhale it. I just wanted to see what your thoughts are on the correlation between being able to use your medical cannabis, to be able to use a vaporizer, compared to someone who would need an oxygen tank, a nebulizer, an inhaler for asthma, someone who has diabetes so they can take their insulin and their sharps containers.

Can you explain to me what it might look like or if you have any suggestions on those who would need marijuana to vape it, if you see there being a place in public that would be similar to allowing the people who need these devices to take their medication?

Mr. Jonathan Zaid: There aren't any restrictions that I'm aware of for any other medical device to not use in public. Vaporizers are a Health Canada-approved class II medical device, like some of these other things you speak of, so it needs to be allowed to be used. Otherwise, you're fundamentally taking away people's medicine, not just their ability to use a vaporizer. It's taking away their medicine as well because they can't use it then.

It's not all patients. Some patients can manage with the ingestible forms, but when it's prescribed by a physician to use a vaporizer, the government shouldn't be stepping in and stopping patients from being able to do so.

Mrs. Lisa Gretzky: That's another question that I was going to ask. When you do have a medical professional prescribe, the prescription is given in the same way that other medication would be, so it actually is prescribed for use in a certain way, whether that's ingesting it, vaping it or—it's specified?

Mr. Jonathan Zaid: Yes. It's written on something called a medical document. That medical document contains the exact same information as a prescription. It's considered equivalent to a prescription by both the Ontario college of physicians and the BC college of physicians. So basically it is a prescription; it's just a bit of a language or semantics difference.

The patient will send in that medical document and register with an authorized licensed producer. Some patients are accessing through other means as well. There are some patients who have injunctive relief to grow at home, and there are some patients who access through dispensaries if their needs aren't being met otherwise. To get access to legal cannabis, you need to have that

medical document—that prescription—from a physician that indicates your daily maximum dose and all other information that a prescription would contain.

Mrs. Lisa Gretzky: So like other medications, then, if you were not able to take them in the manner as prescribed, you're saying they possibly would not be as effective or that there could be some sort of negative aspect to taking your medication if you were not able to take it as a physician has prescribed it for you?

Mr. Jonathan Zaid: Yes, absolutely. It's totally equivalent to that. The difficulty comes up that cannabis is smelly and it causes that odour nuisance. But we're at the pioneering of a difficult issue and I think Ontario really needs to manage this difficult issue and come up with reasonable exceptions to manage that nuisance, but also keep in mind that this is a medication and there is no public health risk.

Mrs. Lisa Gretzky: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. Appreciate that. We'll move to the government. Ms. Hoggarth.

Ms. Ann Hoggarth: Good afternoon. Thank you for your presentation. You touched on a couple of things that I wanted to talk about. Sixteen years ago right now, I was diagnosed with breast cancer and I had to have chemo and radiation. At the time, there was no way to take medical marijuana. That would have been illegal. However, I do believe that there should be fair access to medical marijuana. My difficulty with it is that, as a teacher and as a parent and grandparent, I think there's an important balance between the needs of medical marijuana users by smoking and vaping and the impact on those around them.

Do you see the concerns of businesses and families that may not want to be exposed to second-hand smoke as being reasonable?

Mr. Randy Hillier: It's not smoke.

Mr. Jonathan Zaid: Yes, vapour. We've reached out to all different types of businesses and had this conversation. I think one possible scenario where a reasonable exception could be made is an opt-in situation where businesses or employers that are friendly to cannabis could say, "Yes, we'll allow it, and we'll allow it here with these rules that we create," and allow these establishments to have these conversations rather than the government limiting it.

The bill, as crafted today, doesn't allow any exceptions and doesn't allow any wiggle room. It's totally not allowed, the same way as smoking. But it's not the same as smoking; it doesn't carry the same risks. It is a nuisance, and that could potentially have impacts on a business where other patrons didn't necessarily want to breathe in that smell, but it doesn't have the health risks, so there should be room for establishments to allow it as desired and then they can determine the potential impacts within that establishment.

Ms. Ann Hoggarth: Thank you very much.

The Chair (Mr. Grant Crack): We'll move to the official opposition. Mr. Hillier.

Mr. Randy Hillier: Thank you very much, Jonathan. I think the last question helps put things in perspective. Referring to vapes as smoke would be like considering fog as smoke. It's a mist; it's not a product of combustion.

You mentioned a number of things and I'll say this in this context: We've gone from being able to use it everywhere and anywhere to having it ostracized and being categorized as a tobacco product with this bill. You mentioned that because of medical marijuana, you're now a successful student and you would not have been able to undertake those activities without being able to use your medical marijuana, and that vaping is the least harmful way of ingesting that medicine, as compared to the most harmful way of smoking it and creating smoke through products of combustion.

A couple of other points that I think need to be emphasized are how efficiently vaping delivers the medicine into the bloodstream, quicker and more efficiently than any other method. I think what is important for this committee to understand, because the word "balance" has been brought up—I see this bill providing no reasonable accommodation for people and their need to take their prescription medicine in the least harmful way, the most efficient way, and the least nuisance way. This bill provides no reasonable accommodation.

You mentioned an opt-in ability for employers or businesses. I think that would be a wonderful start for those companies or businesses that find it problematic or troublesome due to ignorance of the product and the delivery means, until they become more knowledgeable. But if you have any other examples, I think it's important for this committee to understand the drawbacks for medicinal marijuana users and what will happen to them. You mentioned the airport, but if there are any other examples that you might want to provide this committee where this bill would make it difficult or impossible for somebody to take their medicine in a humane way and civilized way.

Mr. Jonathan Zaid: Yes, so as you mentioned, vaporization is becoming one of the most popular administration options. Previously, smoking was, and now physicians have been increasingly recommending vaporizers to patients. The latest research is showing that the majority of patients are using vaporizers. So it is taking away what physicians are recommending as a harm reduction tool compared to smoking, first and foremost.

When we think of places, there are definitely places prescribed within the regulations that don't make sense to limit it—for example, hospitals and hospices. They may actually want to administer it themselves and they have no ability to do so. There are no exceptions for employers or other businesses. In emergency circumstances, like a seizure, there's no exception for that either. I see that being a very important exception needing to take place in the bill.

But really, when we think of medical cannabis patients and we talk about this, we're thinking and talking like they're healthy, normal people, but they're not, necess-

arily. They're really ill, sometimes mobility-challenged individuals. If that's the case, then they can't go outside, especially in minus-20-degree winter weather, to use their medication. That's really challenging for people, so you have to kind of keep in mind who these people are as we talk about this.

1620

Mr. Randy Hillier: Maybe just two quick points—

The Chair (Mr. Grant Crack): No. Thank you very much.

Mr. Randy Hillier: Can you get flavoured cannabis vapes for the odour?

The Chair (Mr. Grant Crack): Okay—

Mr. Randy Hillier: And, just for the record, we finally have allowed people to take their asthma inhalers at school with a law that just recently passed—

The Chair (Mr. Grant Crack): Thank you very much. We appreciate you coming before committee, Mr. Zaid.

Mr. Hillier, you had an extra minute and a half, by the way, so good try.

CANNABIS FRIENDLY BUSINESS ASSOCIATION

The Chair (Mr. Grant Crack): Next, we have a number of presenters from the Cannabis Friendly Business Association. I would like to welcome the members to come before committee. I will allow one of you to maybe introduce each and every one of you, because there are five, as we allow the Clerk to pull up another chair.

So, who will be speaking?

Ms. Abi Hod: We're just going to go through in a line.

The Chair (Mr. Grant Crack): Okay. So if you could, do the introduction of who you are. I welcome you and you have up to 10 minutes.

Ms. Abi Sampson: Good afternoon, committee members and fellow cannabis allies and supporters. My name is Abi Sampson, and on behalf of Abi Hob, Marko Ivancicevic—we practised this—Jon Liedtke and Quito Maggi, and on behalf of the Cannabis Friendly Business Association, I wish to thank you for inviting us to this discussion.

Today, we speak on behalf of over 20,000 Ontario medical cannabis patients, along with the 8% of adult Canadians who self-identify as regular cannabis consumers and wish to seek to have medical cannabis exempted from Bill 178.

The year is 2016, and our peaceful plant is finally in the spotlight. It is a time of historical change, with our government vowing to legalize, restrict and regulate cannabis. With the world watching, it is imperative that regulations are based on sound evidence and that those most affected by these decisions, the patients, are put first.

Cannabis is not the same as tobacco and must not be treated as such. By granting an exemption to Bill 178, the

Ontario government has the opportunity to establish regulations and standards that benefit the budding cannabis industry, the public, the government and the patients.

Ms. Abi Hod: Hello, my name is Abi Hod. I'm a lounge owner and a CFBA founder.

In 2012, the city of Toronto actually had a committee—almost the same as this—to study vapour lounges in Toronto. So many of the facts that I will read out are from that study.

They concluded, "Moreover, a medical marijuana bylaw will directly benefit those individuals with a legal right to possess marijuana for medical purposes, by recognizing their right to consume" medical marijuana at "consumption facilities in the city. This addresses concerns raised by the medical marijuana community that having to treat themselves only at home leads to stigmatization and discrimination."

In 2012, the issue of licensing of cannabis lounges was brought forward to the city of Toronto, at which time a report was prepared and presented to the licensing and standards committee. It was determined that vapour lounges provide a safe space for patients to medicate and cannabis consumers to congregate.

They came to a few conclusions. Number one: "Allowing these establishments to be properly licensed will ensure that the city respects the rights of the individuals who are legally permitted to consume marijuana for medical purposes, while ensuring that public safety and community order concerns are addressed."

The second point: "Though medical marijuana users are entitled to possess and consume their marijuana at home or at vapour lounges, the TPS believes there should be restrictions on smoking marijuana, including for medical purposes, in outdoor public spaces."

All these conclusions are contrary to the conclusions of Bill 178.

We hope to introduce to the city of Toronto, if we are exempted by Bill 178, these following licensing guidelines for cannabis lounges:

- 19-plus adult age limit;
- air filtration and ventilation systems must be installed;
- proper signage informing the public before entering that there's cannabis consumption on site;
- regular health inspections;
- mandatory first aid training for staff so they can deal with further implications if people are sick, and if anything happens, they have to be trained;
- background checks for all owners ensuring that there's no criminal activity or criminal records involved;
- commercial or industrial zoning;
- no other inebriates on property, so no alcohol, no other drugs of any sort; and
- must comply with all other commercial business standards.

Mr. Marko Ivancicevic: My name is Marko Ivancicevic. I'm a medical marijuana user and advocate. I've also been involved with several federal Liberal

riding associations in the past. I'm here today speaking on behalf of the CFBA.

Medical cannabis became legal in 2001 and that was in response to the *R. v. Parker* case. They found that patients like Parker had their rights infringed upon by not having safe access to cannabis for medical purposes. The Supreme Court of Canada stated that the government doesn't have jurisdiction to dictate how a patient will consume their medication.

In August, the federal government will be coming up with new regulations in response to the Allard decision. It does not make sense for the Ontario government to pass any legislation until after the federal government officially legalizes cannabis next year.

Since cannabis became legal for medical purposes, these regulations were found to be unconstitutional 11 times. We believe that the proposed bill is unconstitutional and there will be several human rights challenges as well as constitutional challenges.

There are an extra few notes that I'd like to make as well. In 2003, 8% of Canadians aged 25-plus reported daily cannabis use. There are approximately 25,000 MMAR and MMRP patients in Ontario. There are also many others who don't have access to a doctor, so that number is actually much higher than that. Senior citizens are amongst the largest-growing demographic of medical cannabis users, and in 2014, more than 100,000 Canadian veterans reported using cannabis.

Mr. Jon Liedtke: My name is Jon Liedtke. I am co-owner of Higher Limits, the largest cannabis lounge in the country. I want to talk about the need for safe spaces and vaporization.

First, in Ontario, there are 16 safe spaces for cannabis consumption, with 13 of those safe spaces being operated in the GTA alone. I think, for the numbers that Marko had just said, with increasing cannabis users and medical marijuana users, there is a need for more safe spaces for cannabis consumption, not less, such as we brought about through Bill 178, which will push medical cannabis patients out into the public. They will be on city streets medicating, not what I think you want to be achieving through the use of this legislation, because cannabis lounges would be shut down.

There are many benefits from vaporization as well. Cannabis vaporization is a technology designed to deliver inhaled cannabinoids while avoiding the respiratory hazards of smoking by heating cannabis to a temperature where therapeutically active cannabinoid vapours are produced but below the point of combustion, whereby noxious pyrolytic by-products are formed. Simply put, cannabis smoke does not equate to tobacco smoke, and cannabis and tobacco smoke are not equally carcinogenic. We've included some documentation about that as well.

We have concerns with a vapour ban, primarily that it will encourage the combustion of medical marijuana, which is not as safe for you as vaporization. By banning the display and education of vaporizers, this will simply result in their misuse, which will increase harm caused through vaporizers.

Many new medical cannabis patients such as senior citizens and veterans have no knowledge of medical cannabis or these harm reduction tools. By not allowing for medical cannabis lounges to speak to how to use these tools properly it will increase harm. Cannabis patients will further not be able to explore the best options for their health.

Quite simply, Bill 178 runs counter to every study on the benefits of vaporization. We've included those as well in our workbooks.

Ms. Abi Hod: We've received a lot of community support and many impact letters. Here are a few excerpts.

Kensington Market BIA, which is home to the Hotbox, Ontario's oldest cannabis lounge: "The lounges provided medical patients a safe place to consume their medicine in a safe, non-toxic way and in a convivial atmosphere with other cannabis consumers. Closing cannabis lounges will result in much more marijuana consumption in the streets, with a multitude more citizens being exposed to their second-hand smoke.

"There is also likely to be more smoking of cannabis on sidewalks rather than the safer, non-toxic vaping, which takes place in the lounges.

"This reality runs counter to the intent of the bill. Bill 178 effectively will result in children and other non-cannabis users being exposed to marijuana."

The second letter is from the Cannabis Growers of Canada: "By treating medical cannabis with the exact same laws as cigarettes and other tobacco products, the Ontario government is demonstrating a fundamental ignorance of the use of medical cannabis."

1630

The "CGC calls on the Wynne government to shelve Bill 178, and to rethink their approach to cannabis regulation, before the government of Ontario is put in the position of denying medical cannabis patients their fundamental rights."

Quito?

Mr. Quito Maggi: Thank you, Mr. Chair and committee members. Can everybody hear me?

Mr. Randy Hillier: No.

Mr. Quito Maggi: Sorry. My name is Quito Maggi. I'm president and CEO of Mainstreet Research. Some of you are familiar with my work. I'm also here as a representative of CFBA. We did some research for CFBA about public support. It's in your booklets that we handed out.

I think it's important to point out that the support for cannabis patients to have these safe spaces where they can consume and learn about cannabis is not just strongly approved by most Ontarians, much more so than disapproved, but it's also very broadly approved, both in the north, from a high of 41% strongly approve, to as low as 28% in south-central Ontario. We have it broken out by party support. It has stronger approval than disapproval among all the parties, so it's not a partisan issue whatsoever.

I think if it hasn't already been pointed out—and I don't know how we're doing for time. Am I still okay?

The Chair (Mr. Grant Crack): You've got about six seconds, but I'm a little flexible.

Mr. Quito Maggi: I think what we're looking for here is not a broad exemption. Understand that the safe spaces themselves—how many lounges are there in Ontario, currently?

Ms. Abi Hod: Sixteen.

Mr. Quito Maggi: There are 16 lounges that we're asking the exemption for, at a minimum, to provide these safe spaces for cannabis patients, whose rights have been affirmed and reaffirmed time and time again by courts at all levels. We do have new federal regulations coming out about medicinal cannabis before the end of August. I think it's prudent to wait until that time, but even if you can grant a partial exemption under Bill 178 for these safe spaces now, that would go a long way to alleviating a lot of patients' suffering.

The Chair (Mr. Grant Crack): Thank you very much. We'll begin the line of questioning, and we'll start with the government. Ms. Malhi.

Ms. Harinder Malhi: Thank you all for coming here to bring us your perspective on Bill 178. I was just wondering, what is the most important priority for your organization in this changing climate of marijuana legalization and medicinal marijuana, coming out and being able to smoke it? What is your major focus or priority?

Ms. Abi Hod: We are the CFBA, so our mandate is to protect small businesses but also their customers. Without the lounges being open, it is going to be a difficult situation for many people and for communities as well—a community like Kensington Market, which has always had an open mind, and many people who enjoy cannabis come down to it. These people won't have anywhere to go and they will be out on the street. This is a major concern.

Ms. Harinder Malhi: Thank you.

The Chair (Mr. Grant Crack): Very good. Thank you. We'll move to Mr. Hillier, from the official opposition.

Mr. Randy Hillier: I'd like to just clarify this: Were you suggesting only an exemption for the existing vape lounges so that the existing customers would have access to safe spaces, and for all those other people across rural and northern Ontario, it's unimportant that they have safe spaces?

Mr. Quito Maggi: No. I'm not suggesting that future lounges don't get that same exemption, but currently, if you granted that exemption, it's only 16 locations across Ontario.

Mr. Randy Hillier: But you're not promoting the fact—

Mr. Quito Maggi: No, I'm not.

Mr. Randy Hillier: So it needs to be a broader-based exemption for allowing safe spaces for people to ingest medical marijuana in a safe and effective manner.

I just want to maybe ask Jon or Abi: Harm reduction is a known solution and a recognized manner to reduce harm. What is your thought on why this government

doesn't want to allow harm reduction for medicinal marijuana users, or in fact, tobacco users as well? What is it that you see that the government doesn't want harm reduction for tobacco addicts or medical marijuana users?

Mr. Jon Liedtke: I'm sure that the government isn't actively seeking to limit harm reduction possibilities, but I think that there might be a misunderstanding as to what tools are available for harm reduction, whether it be for medical marijuana or e-cigarettes for people who had smoked tobacco. I think it really does come down to a lack of understanding and education that has been done, and there is a simple need to try to blanket what looks like a smoke into the same category in the Smoke-Free Ontario Act. That really does diminish avenues for people who need to use harm reduction tools.

Mr. Randy Hillier: So it's not because they're callous; it's because of ignorance.

Mr. Jon Liedtke: I'm not going to state that myself.

Laughter.

M^{me} France Gélinas: Nice try.

Mr. Randy Hillier: One other thing: It was mentioned previously that there are no other prescription drugs that are limited. I mentioned that we even now allow people to take asthma inhalers into schoolyards, thanks to my colleague next door here, which were prevented by law.

But one of the questions was, if you can clarify, can cannabis oil be flavoured as well, like with tobacco e-juice and whatnot? Can you get it in different flavours so that there is less nuisance odour to it?

Mr. Quito Maggi: That was one of the fundamental confusions in our previous meetings with some officials and even enforcement officials. They believe that e-cigarettes—how are you supposed to tell the difference if someone is using, right?

You cannot combust cannabis in an e-cigarette and you cannot combust e-cigarette juice in a medical marijuana vaporizer. They're two different technologies.

Mr. Randy Hillier: But can you get flavours, or is there anything that you're aware of that would prevent you from having it flavoured, so that it would be a less noxious or obnoxious odour?

Ms. Abi Hod: There was a product available. We never recommended it to anybody—it's just toxins. I just didn't feel that adding toxins to a natural product was a great idea without proper research behind it.

Mr. Quito Maggi: So—

The Chair (Mr. Grant Crack): Final comment.

Mr. Quito Maggi: I'm actually told that there is a vapourless pen on the market in development that's coming to North America within the month. It's in use now in Europe.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Gretzky.

Mrs. Lisa Gretzky: I would like some information from the businesses owners, and maybe Mr. Liedtke can address it first, because I believe you said you have the largest compassion lounge in Canada. I'd like to hear the costs that have been incurred to date to open your

compassion lounge, and what the financial effect would be on you and anyone that you would employ or to the community, frankly, if this law was to now change and you were forced to close your lounge.

Mr. Jon Liedtke: We opened up in January, so very recently. Obviously, we came to market quickly. We have 10 employees that we employ, nine of them full-time and one of them part-time. They would lose their employment. We have invested about \$6,000 in terms of air filtration on top of a half-million-dollar air filtration system that was installed in 1997, I do believe, when smoking was changing before.

There is a huge financial investment in terms of the equipment that we've set up. We have a five-year lease on our building, which is right downtown. We're talking immense financial repercussions for not only myself, but my partners as well, and then for our employees. Of course, we have customers who have purchased yearly memberships at the lounge, and they would have to be refunded, which would then further impact us financially.

Mrs. Lisa Gretzky: Then I guess it would be safe to come to the conclusion that had the bill been introduced and thought through properly initially, that investment would not have been put out, you would not be locked into a five-year lease that you now will have to pay to get out of and you wouldn't have this financial hardship that you're facing—had this been thoughtfully brought forward the first time.

Mr. Jon Liedtke: Oh, certainly. When the Associate Minister of Health made the announcement back in November as to the changes that were being brought about, that was why we opened our doors. We made our decision to open our business solely because of that announcement. As a medical marijuana user myself, the fact that the government was being so proactive in affirming the rights of medical marijuana users, looking forward and working with these patients—the timing was right for us. Unfortunately, things went 180 degrees not three months later.

Mrs. Lisa Gretzky: Abi, I believe you said you're an owner as well.

Ms. Abi Hod: Yes.

Mrs. Lisa Gretzky: Have you been around longer?

Ms. Abi Hod: Much longer, yes.

1640

Mrs. Lisa Gretzky: Can you address maybe some of the expenses incurred along the way?

Ms. Abi Hod: Oh, yes. I've had my store since 2000, but I opened up the lounge in 2003, so I've been open since before they invented vaporizers. Probably hundreds of thousands of people have come and gone through the place.

To me, it's not even so much about my financial losses, because I can make something else occur; but it's a loss to the community and it's a loss to the people. You have to think of mothers who cannot consume their medication at home because they have children. There are people who live in shared accommodations who cannot consume their medicine, and on and on. There are

people who live in seniors' homes. There's a hospital around the corner from us. There are homeless shelters around the corner from us.

We serve a tremendous variety of people. If you come into the Hotbox on any given day, you will see people from the age of 19 all the way up to 90. One of our customers just passed away. I think that he was about 85, and he passed away last week.

To me, the loss isn't really my financial loss, it's the loss to my customers of having a safe space to attend.

The Chair (Mr. Grant Crack): Thank you very much.

Mrs. Lisa Gretzky: Oh, am I out of time?

The Chair (Mr. Grant Crack): Almost a minute over.

I want to thank all five of you for coming before committee this afternoon and sharing your thoughts. We appreciate it.

LITTLE SHORT STOP STORES

The Chair (Mr. Grant Crack): Next on the agenda, we have the Little Short Stop Stores—

Ms. Ann Hoggarth: What?

The Chair (Mr. Grant Crack): Little Short Stop Stores. We have the president, Mr. Jamie Arnold.

Mr. Jamie Arnold: Easy for you to say.

The Chair (Mr. Grant Crack): Welcome, sir. How are you?

Mr. Jamie Arnold: Good, thank you. How are you?

The Chair (Mr. Grant Crack): Good, thank you very much. It's good to have you this afternoon. You have up to 10 minutes for your presentation.

Mr. Jamie Arnold: Okay. Thank you.

I'm really pleased to be here today to speak to you. I thank you for your time and attention. My name is Jamie Arnold. I'm the president of Little Short Stop Stores, a third generation family-owned convenience chain in the Kitchener-Waterloo/Guelph/Cambridge area. We have 29 stores and employ over 250 people, many of whom have been with us for a very long time. We truly are a family.

We belong to the communities that we serve. We have a loyal following of long-time customers. We support local sports teams, and as the Little Short Stop family, we also participate in fundraising activities. This month, we raised money for the MS Society—over \$25,000. We had 70 people walk in the MS walk on May 1.

We're a destination for families and youth, and we take this responsibility very seriously. We keep our stores safe and inviting to visit so that our core customers continue to come back.

I understand, through talking to various health units, that we were the first convenience company in Ontario to age-test our own employees to ensure our social responsibility to those families and youths who are our valued customers. We believe that this sense of community should be preserved and grown as best as possible.

From that perspective, let me state that we do support Bill 178. We're pleased to see further restrictions put on

where the public is allowed to use vapour products. We welcome the legislation because it will help to ensure that the retail environment in our stores will not be compromised and it will improve workplace safety for our employees.

We belong to an industry that is large in Ontario—over 6,000 stores that collect \$3.8 billion in tax revenue for the province and another \$2.7 billion in lottery revenue for the Ontario Lottery and Gaming Corp. However, given these numbers, we still are a struggling industry due to decreasing margins and increasing costs in doing business today. We aren't immune to this competitive and regulatory environment. At one time, we had 42 stores. Our relevance as a community builder perhaps is our only competitive advantage in the marketplace today.

One of the potential threats to our sense of community would be to allow the use of vaporizers, even for medical purposes, in public and in our stores. Recently, e-cigarettes have increased in popularity. Our stores have become a leading destination for people wanting to purchase these and try the new e-cigarettes and vaporizers. Many of our customers who are turning to these products are customers who have purchased tobacco from us in the past. It's natural that we can maintain our customer base while offering new products. The legislation will help protect our employees from risks they face from vapour products in our stores.

We understand that the legislation was largely drafted to address the medical marijuana issue and we recognize that this is a definite public health need. However, the proliferation of medical marijuana shops and the ease with which prescriptions can be obtained is a little concerning.

We welcome the fact that Bill 178 at least ensures that medical marijuana will not be consumed in our stores as well as other public places.

More concerning, along with the medical marijuana shops, is the increase in the specialty e-cigarette, or vape, stores. We've worked hard to try to capitalize on the growing interest in the e-cigarette products. We have always and will continue to dispense these products in a socially responsible way. We do not allow for these products to be tested in our stores, and we have always verified age before selling these products, even before it was mandatory, to ensure our youth do not have access to this product in our stores.

The objectives of the government have always been clear to us with respect to tobacco and now e-cigarettes, and we're happy and proud to be part of that. The same can't be said for the vape shops, as they operate in a completely unregulated environment that is void of age testing and openly allows testing of their products.

We do feel that the government is being inconsistent in the treatment of e-cigarettes. On the one hand, they want our stores to treat e-cigarettes like tobacco and be subject to operating under the Smoke-Free Ontario Act, yet you propose to give vape shops special-consideration exemptions from the Smoke-Free Ontario Act. We're

deeply concerned that with these regulations, vape shops will be allowed to continue to divert our customers away from our community-based, law-abiding, legitimate stores, like mine. It is my hope that we can gain enough support to overturn this decision.

Little Short Stop has a long history of building relationships with public health inspectors, and we have complied with all the regulations and have enforced the Smoke-Free Ontario Act willingly. It is very disappointing that the ministry is exempting vape shops from the same regulations that we are held to and have cooperated with for years.

The regulations, as drafted, will allow vape shops to continue to retail illegal nicotine e-juices and e-cigarettes and maintain their in-store displays and in-store promotions of e-cigarette products, so long as they prevent anyone under the age of 19 from entering the store.

Our store relies on the family-oriented environment to survive, and as such, we would not be able to retail these products in the same way. The regulation essentially creates an uneven playing field for Little Short Stop, and we'll lose many of our loyal customers in the process.

We are happy to support Bill 178. We seek to limit the use of vaporizers in public spaces, for the benefit of all, and youth especially. We would hope that vape shops and convenience stores will be held to the same regulations when it comes to retailing e-cigarettes.

Again, thank you for your time and allowing me to present to you. I'll take any questions you might have.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Arnold. We'll start with the official opposition. Mr. Hillier?

Mr. Randy Hillier: Most of your presentation would have been more appropriate at Bill 45 than Bill 178. The bulk of your presentation is clearly the threat that you see posed by electronic cigarettes in vape stores. But you did mention support for Bill 178.

I find it interesting. I can understand your position on Bill 45, and you see that as a threat to your marketplace. But I'm concerned that you would advance the interests of your stores over compassion and harm reduction for people who are here, who have demonstrated and are showing—these are pretty reasonable-appearing people. They don't appear to be any threat to the Legislative Assembly or society at large, but they have been prescribed a medicine to deal with their injury or their illness. From reading your presentation and from hearing you—their harm reduction, their need to alleviate that harm and that injury, is of no interest to you.

Mr. Jamie Arnold: I wouldn't say that it's of no interest. The issue, I believe, is how you determine the difference between a marijuana vaporizer and an e-cigarette with nicotine—

Mr. Randy Hillier: They just explained that.

Mr. Jamie Arnold: But for my people who work in the stores, and my customers who come in the stores, I think there would be misunderstandings when we deal with that.

Mr. Randy Hillier: Have you ever had anybody coming into your store with a lighted joint—a medicinal

marijuana user—saying, “I want to smoke this joint and take my drugs in your stores”?”

Mr. Jamie Arnold: Not that I’m aware of, but I know that it has—

Mr. Randy Hillier: Surely it would have been brought to your attention if somebody had done that.

Mr. Jamie Arnold: Probably.

Mr. Randy Hillier: Probably. So it hasn’t been a problem in the past?

Mr. Jamie Arnold: Not that I’m aware of.

1650

Mr. Randy Hillier: But you believe that it may be a problem now.

Mr. Jamie Arnold: If we’re going to treat the product as tobacco, which the government seems to be trying to—

Mr. Randy Hillier: Do you think it’s reasonable to treat something that isn’t tobacco as tobacco?

Mr. Jamie Arnold: That seems to be the nature of what the government is trying to do.

Mr. Randy Hillier: And you’re supportive of it?

Mr. Jamie Arnold: I am in the fact that—

Mr. Randy Hillier: So you would call apple trees and orange trees the same thing?

Mr. Jamie Arnold: Well, no, in the fact that it should be a level playing field for everybody. That is the part that I support.

Mr. Randy Hillier: So we could call apple trees apple trees and oranges oranges.

Mr. Jamie Arnold: Right. I’m the orange tree—

Mr. Randy Hillier: That’s a level field.

Mr. Jamie Arnold: —vape stores are the apple trees. That, to me, is the issue here.

Mr. Randy Hillier: It sounds to me that you want to create an uneven playing field. Thank you very much.

The Chair (Mr. Grant Crack): Thank you. We’ll move to Ms. Gretzky.

Mrs. Lisa Gretzky: I’d like to thank you for coming before the committee. I really have just two questions. One is: You had expressed concerns about medical marijuana users and them being able to vape their medication anywhere in a public place. Do you have thoughts or recommendations on somebody who is out in the public and does require taking their medicine—as previous presenters have talked about, someone who is epileptic. How would that be addressed, then, if they’re not allowed to take their medication in a public place when they need it?

Mr. Jamie Arnold: I’m just really trying to protect my employees from making a determination on something that they’re not really—that they know about or have information about. I’m worried about the people who work in my store. I have no problem with people using medical marijuana; that’s not what I’m here today to discuss, really. For me, the biggest issue is my staff in the store. How do we deal with a person who is using a vaporizer with nicotine in it or a vaporizer with cannabis in it?

Mrs. Lisa Gretzky: Okay. Then my other question is: You have a lot of concerns about the e-cigarette stores or the vaping stores and that it does not appear to be a level playing field. Can you get into that a little bit more? Do you feel confident that you or your staff have enough information to be able to recommend vaporizers to people and that you should be able to display them as the e-cigarette or the vaping stores can? And, again, this is specifically to the e-cigarette and the vaping stores. We’re not talking about the compassion lounges now.

Do you feel confident that you and your employees would have enough knowledge that they should be able to allow people to test the vaporizers and that kind of thing, to have the same abilities that these vaping stores do?

Mr. Jamie Arnold: Yes. We only carry two different types of vaporizers in our stores. We have trained our employees on how to deal with selling those particular products. If it’s allowed that we could test them, and that was the law, then we’d do that. At this point, it’s not something that is contemplated by the Smoke-Free Ontario Act. That is the issue. If it were legal for us to do it, we would do it and we’d be able to train our staff to do it.

Mrs. Lisa Gretzky: Then you would welcome being able to—if I understood you correctly, you can’t even display them.

Mr. Jamie Arnold: We can for now but that is—

Mrs. Lisa Gretzky: For now. But under the new act, you wouldn’t be able to.

Mr. Jamie Arnold: Right.

Mrs. Lisa Gretzky: Whereas these e-cigarette or vaping stores would still be allowed to display the products and allow people to test them. So that’s your concern.

Mr. Jamie Arnold: Yes. A lot of our customers who are tobacco users are going to e-cigarettes, so you’re basically telling our customers to go to a vape store because that’s where you can try it. You can have that sort of experience.

Mrs. Lisa Gretzky: What kind of economic impact do you think this will have on your business if you’re under the regulations of this act, whereas these e-cigarette or vaping stores aren’t under? What would that look like, cost-wise, to your business?

Mr. Jamie Arnold: It’s the tobacco users, who are our customers, who would have to go to a different location to purchase that. And there’s a high percentage of those tobacco customers who are turning to e-cigarettes; they believe it’s safer. We want to be able to keep those customers coming into our store. The actual cost would be those people who would leave as our customers.

Mrs. Lisa Gretzky: So it could potentially be a financial burden to you and you could be looking at having to let employees go and such.

Mr. Jamie Arnold: Yes, and close doors.

Mrs. Lisa Gretzky: So, really, it should be a fair playing field for everyone that’s going to be selling e-cigarettes.

Mr. Jamie Arnold: This product, yes.

Mrs. Lisa Gretzky: Okay. Thank you.

The Chair (Mr. Grant Crack): We'll move to the government. Ms. Malhi.

Ms. Harinder Malhi: Thank you for your presentation. As an organization that represents a whole number of stores, what is the biggest concern that you're hearing from your membership?

Mr. Jamie Arnold: The biggest concern?

Ms. Harinder Malhi: Yes, around Bill 178.

Mr. Jamie Arnold: I think the biggest concern is the fact that you're going to give one particular retailer an advantage over me. That is the concern, that we're going to lose our customers to these vape stores. It's the biggest concern that we have.

Ms. Harinder Malhi: On a different note, Bill 178 is looking to update the Smoke-Free Ontario Act to ensure that people have similar protections from medical marijuana as they do with tobacco smoking. What are your thoughts on this approach, to make it equivalent for both?

Mr. Jamie Arnold: I think that it should just be fair for everybody. To me, that's the bottom line here, that all the people who are retailing these products should have to act under the same laws and regulations. At this point, it's contemplated that's not going to be the case.

Ms. Harinder Malhi: Thank you.

The Chair (Mr. Grant Crack): Mr. Arnold, we thank you for coming before our committee this afternoon and sharing your thoughts.

Mr. Jamie Arnold: Thank you.

The Chair (Mr. Grant Crack): It's much appreciated. You're welcome.

OTTAWA PUBLIC HEALTH

The Chair (Mr. Grant Crack): All right, members of the committee, our last presenter is via teleconference. I'm just going to ask, from Ottawa Public Health, is Councillor Mathieu Fleury with us?

Mr. Mathieu Fleury: Yes. Can you hear me?

The Chair (Mr. Grant Crack): No, not really. Let's see what we can do to get some volume up.

Mr. Mathieu Fleury: Okay.

The Chair (Mr. Grant Crack): How is Ottawa doing? Keep talking.

Mr. Mathieu Fleury: Well, the weather in Ottawa is perfect today. How's the weather in Toronto?

The Chair (Mr. Grant Crack): The weather is perfect in Toronto, as well. Your voice now sounds perfect. We're ready to move forward.

We appreciate you speaking with us this afternoon via teleconference. Just to advise you, you do have up to 10 minutes for your initial presentation, followed by nine minutes of questioning, three by each of the three parties. Again, I welcome you, councillor. You can start; feel free.

Mr. Mathieu Fleury: Great. Thank you so much, Mr. Chair, for giving me the opportunity to speak on the

matter. I am on the public board of health. I hope you received my written submission. I think the Clerk was passing that to committee members.

I represent an area of our city—the ByWard Market, near the fifth biggest university campus, the University of Ottawa—and then Vanier.

I want to applaud the government for bringing this bill forward and trying to correct the legal grey zones that we've seen over the past few years. I understand the changes that are happening federally with legalizing marijuana and I really hope—and I often share this with residents in Ottawa: the concern that there will be no new expectation regarding marijuana use. I think that we have to take a step back and recognize that tobacco is also a legal product and so will marijuana be. I hope that, as part of this bill review, you're able to remove some of those grey zones and, as well, answer some of the legislative gaps.

I want to speak to three of the issues that we're seeing locally. Medical marijuana stores are popping up left and right in our community. It's becoming more and more of a challenge on the city's front to legislate because if they are on the Health Canada list they are able to operate.

Unfortunately, if they are not, we have to go through our Ottawa Police Service. As you know, it's becoming more and more problematic for them to investigate and pursue a Criminal Code act in that regard. But that's an open-ended statement there.

Our current challenges are the gaps in services. As you know, Ottawa was the leading jurisdiction to become smoke-free and to see smoke-free zones in restaurants and patios. We want to keep that.

I think that with e-cigarettes, we're seeing gaps in the legislation currently. Hopefully, Bill 178 will be able to respond and resolve that. For example, e-cigarette smokers on OC Transpo buses; we're seeing e-cigarettes outside of arenas, and even, in some instances, inside the premises. We'd like to see the gains of the Smoke-Free Ontario Act also apply to all of those vaporizers, e-cigarettes or whatever they might be.

1700

My third point is that we're seeing another kind of use coming up, and this is the hookah lounges, which are basically, in my mind, the same as a cigar lounge. We have businesses that have popped up in the past year, and some that have extended their restaurant use to include hookah smoking. In my mind, that has the same impact as what the goals were initially, in terms of the Smoke-Free Ontario Act. Hopefully, members are able to bring an amendment to reflect all of those uses, to not have a gap in legislation.

What we're having right now in issues locally is that with those hookah lounges, we are only able to shut them down or stop their operations when bylaw and public health are able to prove that the product that is water-smoked or pipe-smoked, if you will, contains tobacco. That, to us, doesn't protect the public and really is labour-intensive in terms of enforcement from our end.

That completes my presentation. Again, I want to really thank the members for looking into this matter.

Hopefully, you'll recognize the challenge that you have ahead of you, especially not knowing what is next in that sector. Obviously, e-cigarettes have bloomed up left and right and have created challenges. Hopefully, we are able to look at those three measures, including marijuana, hookah lounges and hookah smoking, as well as e-cigarettes.

Thank you.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Fleury, for sharing your thoughts with us this afternoon.

We'll begin with the government: Mr. Fraser.

Mr. John Fraser: Good afternoon, Mathieu. How are you?

Mr. Mathieu Fleury: Very good. Yourself?

Mr. John Fraser: I'm very good. Thank you for your presentation. Clearly, your experience, which is not what this bill is about, with regard to medical marijuana shops cropping up—our challenges are across Canada, not just in Ontario.

I do want to speak to you about your last point. I wanted to let you know that we had an earlier presentation with regard to shisha by Michael Perley from the Ontario coalition against tobacco. There were some really surprising numbers in terms of the youth uptake to smoking shisha that he identified. I don't know if you're aware of that, or if public health is aware of that, but that's something, given your interest and given, I know, Dr. Levy's interests, that may have some impact.

I know that the city was moving towards the same ban that Toronto had for hookah lounges and has stopped short of that, I take it. Maybe you can answer my question with regard to that: Was that based on enforcement? Because as you said, Ottawa was a leader. They were a leader, I remember, when Rob Cushman was with the city of Ottawa, with no smoking in restaurants and bars, and it was going to be the end of time and bars would disappear. In actual fact, they flourished and continued and actually grew, and people came back to restaurants.

Mr. Mathieu Fleury: I think that you're quite right, and thank you for that. You're quite right that we're seeing a lot more youth going into those lounges.

I think the challenge for us is that we were heading into a bylaw review, similar to what Toronto conducted. But we wanted to see the outcome locally of Bill 178 and if there would be amendments that would include the challenges that we've seen for those. If not, we would be proceeding with a bylaw.

Mr. John Fraser: I think what you'll find is that will be something, when it's looked at, that will be looked at through regulation. There are a lot of issues around that. I do really appreciate the efforts that you've made locally to make people aware of it, and the public health, of course, Dr. Levy—and your chair is Councillor Qadri, right?

Mr. Mathieu Fleury: That's right: Councillor Qadri.

Mr. John Fraser: How much time do I have left?

The Chair (Mr. Grant Crack): Forty seconds.

Mr. John Fraser: I have 40 seconds, so I don't think that we can do a question—and it's now down to about 36.

Anyway, Mathieu, I want to thank you very much for taking the time to make the presentation.

Mr. Mathieu Fleury: I appreciate it. Thank you, John.

Mr. John Fraser: I would encourage you to either contact Michael Perley, or if you don't have that information and don't obtain that, and if for some reason you can't, I can get that information for you.

Mr. Mathieu Fleury: I appreciate it. Thanks for sharing.

The Chair (Mr. Grant Crack): Thank you, Mr. Fraser.

Mr. Hillier, you have exactly three minutes.

Mr. Randy Hillier: Mr. Fleury, maybe if you can just confirm for me—I believe there was a significant discussion a little while ago and a vote in the city of Ottawa, maybe in your ward, about a harm reduction Insite location. Is that correct?

Mr. Mathieu Fleury: There was no vote, but there's a local group conducting, in my ward, a public consultation on a safe injection site. I partook in their consultation recently. My understanding is that Sandy Hill Community Health Centre will be going to their board on June 22, but it's still too early to see if they will proceed with the request for an exemption in front of Health Canada.

Mr. Randy Hillier: Will you be opposing that harm reduction site?

Mr. Mathieu Fleury: Well, that's a good question. I've certainly highlighted key concerns that I have with their operations. Currently, they're only proposing the Monday-to-Friday, 8-to-3 timeline for their opening. That really doesn't reflect the—

Mr. Randy Hillier: So you're not completely settled on opposing or supporting.

That brings up my next question. You seem to be very adamant in preventing, restricting or not allowing harm reduction for tobacco addiction or for those people who are facing serious illnesses and who have been prescribed medicinal marijuana. You don't want them taking their marijuana in a less harmful fashion, placing restrictions on those people, but you're okay as long as it's for a drug addiction, such as heroin or some other drug.

Mr. Mathieu Fleury: No, I wouldn't say—I don't think there's a correlation there. I think if you're a medical marijuana user, a legal medical marijuana user, you should be able to access that product. But you shouldn't be able to impact your neighbour at the same condition as the impact on—that second-hand smoking has.

Mr. Randy Hillier: Well, Mr. Fleury, are you aware that fog and smoke may look similar, but they are different? One is a product of combustion; one is a mist. Vaporizers do not have smoke; they have a mist. They are not harmful second-hand. So why are you promoting this idea that there's harmful smoke from something that creates a mist?

Mr. Mathieu Fleury: Well, the information we have received as Ottawa Public Health indicates that the e-cigarette industry is not regulated. Therefore, the substances that are contained in that smoke cannot be standardized. So I—

Mr. Randy Hillier: Are you aware that ASH, the smoking and health coalition in the Royal College of Physicians in the UK, has approved e-cigarettes as a legitimate smoking cessation device and attributes over a million people quitting smoking to the use of electronic vaporizers?

Mr. Mathieu Fleury: Yes, I don't debate that. I think that's a great tool for people to stop smoking. I think the issue is really—

Mr. Randy Hillier: But you don't want them to do it in Ottawa?

Mr. Mathieu Fleury: No, I think the issue is for people that would start smoking or start using an e-cigarette or a vaporizer of some sort.

Mr. Randy Hillier: Have you not seen any of these studies that demonstrate that it is not a gateway device at all?

Mr. Mathieu Fleury: Certainly by looking at the growth of those stores in Ottawa and seeing how there's a reduction of smokers, I would say that—I wouldn't agree with that, that there isn't a correlation.

Mr. Randy Hillier: Well, that's my exact point: fewer smokers, but more electronic vaporizers. It is reducing the number of people smoking, not creating more. Thank you very much.

The Chair (Mr. Grant Crack): Thank you very much as well.

Ms. Gretzky.

Mrs. Lisa Gretzky: Thank you for joining us over the phone, Mr. Fleury. I know, because you weren't able to be here in person, it's kind of limited—you being able to hear the other presenters.

I'm going to come from a different aspect, because you've covered a lot on e-cigarettes themselves and vaporizers, for those who choose to use those rather than smoke tobacco. You shared that you understand the need for people that have a prescription for medical marijuana to be able to take their medicine. One of the presenters—actually, a few of the presenters had touched on how in some cases, their medical marijuana is prescribed to be taken through a vaporizer. So I'm wondering if you have concerns about them being able to use their vaporizer for their medication in a public place. How would you address the issue around people who have very significant needs for the medication? For instance, it was brought up that some people have epilepsy and it's prescribed for their seizures, and they actually have to smoke the medical marijuana in order to—

Mr. Randy Hillier: To avoid death.

1710

Mrs. Lisa Gretzky: Yes, to avoid having a seizure and other complications related to it. How would you address that, if somebody is in a public place and has a medical emergency and, under the law, can no longer use

their medication the way it was prescribed by their doctor?

Mr. Mathieu Fleury: A very good point. I would start by saying I am not a doctor. I do have a health and health promotion background, having a bachelor's in health sciences.

What I would highlight is that the same situations could be related to nicotine use. We've also regulated that to protect second-hand smoking and the impact on others. I think it relates in the same way. In that situation, the individual who requires the use of that medicine could step out of the venue, could work with their employer or be aware of the dynamic. For example, if they're in a restaurant, step outside, and if they're in a school, make sure they're outside of the school zone, so that it's in line with the current strategies around smoke reduction and tobacco use.

I think that the majority of those users would respect and understand why we're doing that. I think there's a public benefit. There's also a smell related to the item. There's that influence of seeing an individual smoke. I think it would bring us back to before the initial smoke-free tobacco strategies.

Mrs. Lisa Gretzky: Then, to build on that, there will be some people who are capable of stepping outside or to where they're not in public to be able to take their medication, but if they're having a medical emergency—often people who have epilepsy have no warning signs, sometimes, that they're going to have a seizure. They wouldn't have the opportunity or the time to be able to step outside or get to wherever their designated place is.

My concern is that we're putting some people at risk by not allowing them to take their medication where they need to, such as a diabetic would be allowed to or someone who has asthma. I'm just not sure how you would see that worked into legislation, where those who would be about to go into a medical emergency would be able to actually remove themselves from where they are and go into another area to take their medication in time.

I'd like your thoughts on the compassion lounges. These are areas specifically for people who use medical marijuana. Anybody who would enter a compassion lounge would know that they're entering a facility where there are going to be vaporizers used or people will be ingesting their medication. What are your thoughts on compassion lounges?

The Chair (Mr. Grant Crack): Very quickly, because we're a minute and a half over already. Mr. Fleury, just wrap up, please.

Mr. Mathieu Fleury: I want to thank the members. I think there are issues that you're highlighting that are very fair. I think they will strike a small group but they still are very important in terms of the legislative approach.

I would ask and advise that we should speak to the doctors who know best, in terms of medication for patients and what sort of strategies can be addressed. I would ask the members not to take a step back in removing some of those gaps that we have seen in terms

of the retail opportunities for those lounges, not related necessarily to marijuana, and also the under-regulated e-cigarettes industry that we currently have. We've been advised at public health that many substances might be found in that and, because it's unregulated, they can't normalize them.

The Chair (Mr. Grant Crack): Thank you very much, Councillor Fleury, for sharing your thoughts with us this afternoon. I appreciate it.

Mr. Mathieu Fleury: Thank you.

The Chair (Mr. Grant Crack): Members of the committee, that wraps up the public delegations that came before us. I want to—

Mr. Randy Hillier: Just one comment, Chair.

The Chair (Mr. Grant Crack): Mr. Hillier.

Mr. Randy Hillier: The last presenter made a comment that we should speak to doctors. Just for the committee's knowledge, we did have a number of doctors in on Bill 45. Dr. Bhatnagar was one. There were a number of doctors who all presented and said that the government

was on the wrong track on Bill 45. So I'll put that on the record—

The Chair (Mr. Grant Crack): Thank you, Mr. Hillier. I'll continue. There will be plenty of time at the clause-by-clause consideration to express your opinions, however I will continue as I had started.

I'd remind members that amendments for Bill 178 will be due by 5 p.m. on Thursday, May 26. Once those are received, the Clerk's office will compile them and we will meet on Monday, May 30 and Wednesday, June 1, for clause-by-clause consideration.

I want to thank you for the good, hard work that you've done today and Monday. We'll see you after the break.

Mr. Randy Hillier: You did a marvellous job today, Chair.

The Chair (Mr. Grant Crack): That kind of thing I can hear. I can take that. Thank you very much, Mr. Hillier.

This meeting is adjourned.

The committee adjourned at 1716.

CONTENTS

Wednesday 18 May 2016

Smoke-Free Ontario Amendment Act, 2016, Bill 178, Ms. Damerla / Loi de 2016 modifiant la Loi favorisant un Ontario sans fumée, projet de loi 178, Mme Damerla	G-1121
Canadians for Fair Access to Medical Marijuana	G-1121
Mr. Jonathan Zaid	
Cannabis Friendly Business Association	G-1124
Ms. Abi Hod	
Ms. Abi Sampson	
Mr. Marko Ivancicevic	
Mr. Jon Liedtke	
Mr. Quito Maggi	
Little Short Stop Stores	G-1127
Mr. Jamie Arnold	
Ottawa Public Health	G-1130
Mr. Mathieu Fleury	

STANDING COMMITTEE ON GENERAL GOVERNMENT

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Mr. John Fraser (Ottawa South L)

Ms. Indira Naidoo-Harris (Halton L)

Mr. Jeff Yurek (Elgin–Middlesex–London PC)

Also taking part / Autres participants et participantes

M^{me} France Gélinas (Nickel Belt ND)

Mr. Randy Hillier (Lanark–Frontenac–Lennox and Addington PC)

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Official Report of Debates (Hansard)

Monday 30 May 2016

Journal des débats (Hansard)

Lundi 30 mai 2016

Standing Committee on General Government

Smoke-Free Ontario
Amendment Act, 2016

Comité permanent des affaires gouvernementales

Loi de 2016 modifiant la Loi
favorisant un Ontario sans fumée

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Monday 30 May 2016

Lundi 30 mai 2016

*The committee met at 1401 in committee room 2.*SMOKE-FREE ONTARIO
AMENDMENT ACT, 2016LOI DE 2016 MODIFIANT LA LOI
FAVORISANT UN ONTARIO SANS FUMÉE

Consideration of the following bill:

Bill 178, An Act to amend the Smoke-Free Ontario Act /
Projet de loi 178, Loi modifiant la Loi favorisant un
Ontario sans fumée.

The Chair (Mr. Grant Crack): Good afternoon, everyone. How is everyone today?

Ms. Ann Hoggarth: Oh, wonderful.

The Chair (Mr. Grant Crack): I love to hear it.

I'd like to call the Standing Committee on General Government to order. I'd like to welcome you all this afternoon. Today we are going to do clause-by-clause consideration of Bill 178, An Act to amend the Smoke-Free Ontario Act.

Interjections.

The Chair (Mr. Grant Crack): I was just waiting for some order here in order to proceed, but thank you very much.

Are there any questions or comments concerning Bill 178, An Act to amend the Smoke-Free Ontario Act? There being none, then we shall get down to business, which is clause-by-clause consideration.

We will deal with section 1 first. There is an amendment, which is PC motion number 1, which is an amendment to section 1. Mr. Yurek.

Mr. Jeff Yurek: Speaker, I move that subsection 2(2) of the Smoke-Free Ontario Act, as set out in section 1 of the bill, be amended by striking out "This act applies to prescribed products and substances" at the beginning and substituting "This act applies to the by-product of combusted prescribed products and substances".

The Chair (Mr. Grant Crack): Further discussion? And prior to that, thank you for calling me the Speaker, but I am the Chair, just to clarify that for Hansard.

Mr. Jeff Yurek: It makes it so much easier when you have the same title.

The Chair (Mr. Grant Crack): We can work on changing that, sir.

Further discussion? Mr. Yurek.

Mr. Jeff Yurek: This amendment just further clarifies the act by specifying that the intended target of the

smoke-free bills is to target the by-product of combustion of the prescribed products and substances. This bill would treat the difference between what is smoke and what is vapour, which is not a by-product of combustion.

The Chair (Mr. Grant Crack): Further discussion? Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: I feel that, really, when we're looking at this motion, in some ways it's kind of redundant because, as we all know, these are amendments to the Smoke-Free Ontario Act, which clarifies right off the bat that we're dealing with combusted products, essentially. I feel that in many ways this is redundant.

I understand the member's concerns about vaping, but the whole vaping piece is actually being handled by another piece of legislation.

In my opinion, we are dealing with this the way it should be. It's redundant to refer to the combusted prescribed products when it's really under the Smoke-Free Ontario Act. We will be voting against this motion.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall call for the vote on PC motion number 1. Those in favour? Those opposed? I declare PC motion number 1 defeated.

There are no amendments, therefore, to section 1. Is there any further discussion on section 1? There being none, I shall call for the vote. Shall section 1 carry? I declare section 1 carried.

Ms. Ann Hoggarth: Chair?

The Chair (Mr. Grant Crack): Ms. Hoggarth.

Ms. Ann Hoggarth: Could we bundle the ones that there are no amendments to?

The Chair (Mr. Grant Crack): We have a request to bundle sections 2 and 3. Are you also requesting sections 5 through 9?

Ms. Ann Hoggarth: Yes, please.

The Chair (Mr. Grant Crack): We would need unanimous consent for that. Do we have agreement that we bundle those particular sections? We have agreement, so we shall bundle. Thank you, Ms. Hoggarth.

Ms. Indira Naidoo-Harris: Chair, if I could ask a quick question.

The Chair (Mr. Grant Crack): Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: I believe you said sections 2 and 3, and then 5 through 9. There is section 4.

The Chair (Mr. Grant Crack): Sorry? I didn't—

Ms. Indira Naidoo-Harris: You're bundling sections 2 and 3.

The Chair (Mr. Grant Crack): Yes.

Ms. Indira Naidoo-Harris: And sections—was it 4 through 9?

The Chair (Mr. Grant Crack): No, 5 through 9.

Ms. Indira Naidoo-Harris: It's 5 through 9. Okay.

The Chair (Mr. Grant Crack): Okay, so we shall deal with sections 2 and 3. There are no amendments to sections 2 and 3. Is there any discussion on sections 2 or 3? There being none, I shall call for the vote. Shall sections 2 and 3 carry? I declare sections 2 and 3 carried.

We have two amendments in section 4. We have the first amendment, which is PC motion number 2, which is an amendment to section 4, creating new subsection 12.1 of the Smoke-Free Ontario Act. Mr. Yurek.

Mr. Jeff Yurek: I move that section 12.1 of the Smoke-Free Ontario Act, as set out in section 4 of the bill, be amended by adding the following subsection:

"Application

"(1.1) Despite subsection (1), this section does not apply to the smoking of medical marijuana or to the holding of lighted medical marijuana in,

"(a) a private dwelling; or

"(b) a vape lounge or compassion lounge that provides an indoor space for individuals to consume medical marijuana."

The Chair (Mr. Grant Crack): Further discussion? Mr. Yurek.

Mr. Jeff Yurek: This amendment basically allows those who need to use medical marijuana to access it in their homes or in vape lounges or compassion lounges. We feel there shouldn't be any restrictions infringing on the rights of individuals to use their medication in a private dwelling, regardless of their living situation and/or the municipal bylaws.

We also feel that vape lounges are intended to provide a safe space for those who are using medical marijuana to medicate, due to the restrictions on where they may use their medication. We do like to highlight that there's a growing number of those on palliative care who are accessing medical marijuana to ease their symptoms.

We also note that those visiting vape lounges do have a reasonable expectation and know ahead of time that marijuana will be consumed at the location. So this won't be a surprise to anyone, if there's a legalized vape lounge available for people to access their medical marijuana. It's not going to be a surprise to anybody to walk in and know that medical marijuana would be consumed on those premises, so it shouldn't come as a shock to anyone. It provides a reasonable place for those who do need to use their medication, a place for them to actually partake, ensuring that their symptoms and/or disease or state is relieved by the use of their medication.

The Chair (Mr. Grant Crack): Further discussion? Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: I want to thank the member opposite for his comments. I just want to point out that in this motion, the reference to "private dwelling"—really, our legislation is not covering private dwellings at all. I don't think we want to get into creating

amendments and exemptions referring to private dwellings. I think that's outside the scope of what we're talking about here with this particular bill.

In addition, once again, the reference to vape lounges: There's a totally different statute that's going to be covering that, so I think that's also outside of the scope of what we're talking about here. It doesn't really refer to what we're looking at here.

Finally, compassion lounges: I realize that this is a concern and something that the member opposite wants to raise. I think we have to approach this with caution because this is a bill, which means that it has very broad ramifications. What I think the member opposite wants to talk about here is ensuring that we are putting in place regulations that cover certain areas. So I think when you're talking about a compassion lounge or a medical marijuana lounge, it really gets into what the definition is of those things, and they should be defined specifically in certain ways. I think that creates a problem for us when we're dealing with a bill. We really need to be looking at this more in the regulations area.

1410

My recommendation is that while I understand what his concerns are, I think that the references specifically to compassion lounges and medical marijuana lounges—it would be more appropriate to deal with those in the regulations aspect of all of this. So I recommend voting against this motion.

The Chair (Mr. Grant Crack): Further discussion? Mr. Yurek.

Mr. Jeff Yurek: This amendment is clearly trying to ensure that those that need to use their medical marijuana have a place where they can go, a safe place that's outside of public viewing, that isn't banned due to other regulations, and have access to their medication. As I said before, a vape lounge or compassion lounge can be very easily defined in the regulations or set forth some standards put forth as they're developed with consultation with those that would be involved.

We're just trying to ensure that those that need access to their medication are able to do so and do so in safe manner, ensuring, as the gentleman who spoke earlier mentioned, that the onset of epilepsy or, as I mentioned earlier, those on palliative care who are out trying to live their lives to the fullest are able to have the option to utilize their medication when they need to in a safe place. As opposed to the private dwelling, as we said before, we are looking to ensure that there are no restrictions on rights of individuals who use medication in a private dwelling. We would hope the government would rethink their opposition to this amendment.

The Chair (Mr. Grant Crack): Further discussion? Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: I thank the member opposite. Again, I understand his concerns about the compassion lounges and medical marijuana lounges. I just feel that the decisions in terms of how we define it and what the regulations should be are better dealt with in the regulations aspect, not in the broader bill. So I think it's

appropriate that those discussions happen on that level. And, yes, in terms of private dwellings, we're not attempting to go into private dwellings with this at all.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall call for the vote on PC motion number 2. Those in favour of PC motion number 2? Those opposed? I declare PC motion number 2 defeated.

We shall move to PC motion number 3, which is an amendment to section 4, creating new subsection 12.1(1.2) of the Smoke-Free Ontario Act. Mr. Yurek.

Mr. Jeff Yurek: I move that section 12.1 of the Smoke-Free Ontario Act, as set out in section 4 of the bill, be amended by adding the following subsection:

“Application

“(1.2) Despite clause (1)(a), this section does not apply to the smoking of medical marijuana, or to the holding of medical marijuana, in an enclosed workplace by an employee if an employer who exercises control over the enclosed workplace declares the workplace to be medical-marijuana friendly.”

The Chair (Mr. Grant Crack): Further discussion? Mr. Yurek.

Mr. Jeff Yurek: This amendment basically allows the option for employers to accommodate the use of medical marijuana by their employees. It gives the business owners the freedom to decide whether or not they will accommodate employees who are medical marijuana users. We did hear from a fibromyalgia sufferer during this section that he was able to return to full-time work for the first time since 2001 because his employer accommodated his medical marijuana use. We want to ensure that employers are given the freedom to allow that with their employees, and give employees a chance to return to as much of a full lifestyle as they can—those who have to use medical marijuana.

The Chair (Mr. Grant Crack): Further discussion? Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: Once again, I do understand MPP Yurek's concerns about this and specifically about medical-marijuana-friendly spaces in the workplace. I think we have to be really careful when we move forward with something like this because what we're really doing is creating the possibility of workplace challenges. In an attempt to make things easier on the one hand, we may be creating more challenges on the other.

I believe that it would be more appropriate for these kinds of designations to be determined in regulation. After all, this is a workplace, so the Occupational Health and Safety Act would also have to be considered. I think it's problematic because, for example, there may be employees who are working in the same space who do not wish to be exposed to second-hand marijuana smoke. We have to ensure that the regulations are specific and defined carefully and clearly. I don't think it should be done here.

The Chair (Mr. Grant Crack): Further discussion? There being no further discussion, I shall call for the vote on PC motion number 3. Those in favour of PC motion number 3? Those opposed? I declare PC motion number 3 defeated.

Section 4: There were no amendments that had passed. Is there further discussion on section 4 in its entirety? There being none, I shall call for the vote. Shall section 4 carry? Those in favour? I declare section 4 carried.

There was a request to bundle sections 5 through 9. Is there any discussion on any aspect of sections 5 through 9? There being none, I shall call for the vote. Shall section 5, section 6, section 7, section 8 and section 9 carry? I declare section 5, section 6, section 7, section 8 and section 9 carried.

Mr. Lou Rinaldi: I'm so impressed you can count.

The Chair (Mr. Grant Crack): Thank you very much, MPP Rinaldi. I appreciate it.

We shall move to the title of the bill. Are there any discussions on the title of the bill? There are no amendments, so I shall call for the vote. Shall the title of the bill carry? I declare the title of the bill carried.

There were no amendments to Bill 178. Is there any discussion on Bill 178 in its entirety? There being none, I shall call for the vote on Bill 178. Shall Bill 178 carry? I declare Bill 178 carried.

Most importantly, shall I report the bill to the House? Does that carry? I hear, “Carried.” I shall report the bill to the House. Carried.

There is no further business to conduct this afternoon. I want to thank all members for their hard work—and support staff, Clerk's office, Hansard—everyone who is here. Have a great afternoon. I declare this meeting adjourned.

The committee adjourned at 1417.

CONTENTS

Monday 30 May 2016

Smoke-Free Ontario Amendment Act, 2016, Bill 178, Ms. Damerla / Loi de 2016
modifiant la Loi favorisant un Ontario sans fumée, projet de loi 178, Mme DamerlaG-1135

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G-55

G-55

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First Session, 41st Parliament



Assemblée législative
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Première session, 41^e législature

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Standing Committee on
General Government

Committee business

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STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Wednesday 1 June 2016

Mercredi 1^{er} juin 2016*The committee met at 1240 in committee room 2.*

COMMITTEE BUSINESS

The Chair (Mr. Grant Crack): Good afternoon, members of the committee, legislative research, Clerk and representatives from Hansard. I'd like to welcome you all this afternoon. I'd like to call this meeting to order. This is the Standing Committee on General Government, and we're here today to deal with the organization regarding Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007.

I shall open it up to discussion. Mr. Baker.

Mr. Yvan Baker: Thank you, Chair. I just wanted to thank particularly the official opposition for their collaboration on this important piece of legislation. I think we all agree it's really important. What I wanted to do was to bring forward a motion, Chair, for how we propose that we could potentially move forward on consultations on the bill.

The Chair (Mr. Grant Crack): Thank you very much. I'd just like to remind members of the committee that we are here on an order of the House, and we have lots of business to do over the next two weeks. Now the Clerk is handing—

Mr. Steve Clark: Two months.

The Chair (Mr. Grant Crack): Well, that too. The Clerk is handing out a proposal for the organization of the committee.

Mr. Baker, are you going to be reading that into the record?

Mr. Yvan Baker: Yes. Could I read that into the record?

The Chair (Mr. Grant Crack): Yes. Whenever you're ready, sir.

Mr. Yvan Baker: Sure. I think copies are being handed around as we speak.

I move,

(1) That the committee meet the week of June 20, the week of July 11, the week of July 25 and the week of August 8 for the purpose of holding public hearings throughout Ontario; and

(2) The committee selects the following communities in which it may hold public hearings throughout the province: Ottawa, Hamilton, Kitchener-Waterloo, London, Oshawa, Windsor-Essex, Kingston, Thunder Bay, Sault Ste. Marie, Sarnia, Niagara Falls, Cornwall, Parry Sound, Owen Sound, Newmarket and Renfrew.

(3) That on each day of public hearings, the committee shall sit from 9 a.m. to 11:30 a.m., from 1:30 p.m. to 4 p.m. and from 4:30 p.m. to 6 p.m.; and

(4) That the deadline for requests to appear be the Monday before a given week of public hearings begins; and

(5) That the Clerk of the Committee be authorized to give notice of public hearings on the Ontario parliamentary channel, the Legislative Assembly's website and Canada NewsWire; and

(6) That requests be scheduled on a first-come, first-served basis; and

(7) That each individual presenter receive up to 10 minutes for their presentation, followed by 10 minutes of discussion with the presenter, moderated by the Chair; and

(8) That each organization or group of presenters receive up to 15 minutes for their presentation followed by 20 minutes of discussion with the presenters, moderated by the Chair; and

(9) That in the event of oversubscription to the public hearings for a given day, the subcommittee may determine whether to extend the sitting of the committee to 9 p.m. that day; and

(10) That the Clerk of the Committee meet with the subcommittee to organize the itinerary of public hearings based on the dates and locations above.

That's the motion, Chair. Then, if I may, I just wanted to add, if I could, some context to the motion. As I said at the outset, I think we probably all agree that this is a really important piece of legislation, and it's important to ensuring public confidence in our democratic system. That's why we thought it was important to bring the bill to committee immediately after first reading.

I want to emphasize that this motion is just really a proposal. We're of course open to whatever the opposition parties wish to bring forward that's consistent with how we've been approaching this throughout, right? We want to make sure that we hear from all parties on how we move this process forward.

The proposal seeks to bring the committee to every region of the province. The goal, again, is to speak to as many Ontarians and organizations as possible, and this will give us a chance to hear from as broad an audience as possible across the province in order to best develop amendments for clause-by-clause to bring forward the best possible amended version of the act for the House to consider in second reading debate in September.

One of the features of the plan that I want to highlight is that I think we've tried to build a lot of flexibility into the plan. The communities selected, for example, are a short list from which the committee can reach a consensus. This is a cross-section of the province that covers our regions and a large majority of the population. Where we go and for how long could be left to the subcommittee to decide. This includes whether we sit from Monday to Thursday or Monday to Friday in a given week, for example. If we're oversubscribed on a given day, the subcommittee can decide whether we continue meetings until 9 p.m. that day, as was suggested in the motion. We really want this to be a fruitful discussion amongst us and the presenters, so we've not suggested the classic caucus-by-caucus rotation of questioning. These are examples of the flexibility piece that I was talking about.

Again, we're entirely open to whatever the opposition wishes to add to make this committee process open and successful so that we can send back a version of the bill to the House that reflects the points of view and the expertise of the people in the province.

The Chair (Mr. Grant Crack): Further discussion? Ms. Fife.

Ms. Catherine Fife: We just received this proposal this morning. This is going to be a complex process, I think. There are seven of you and there's only one of me on this committee.

At first glance, though, there really is no significant—with regard to the locations under point (2)—opportunity to consult with people in the northeast. So Sudbury, certainly, I think should be on the list. We would really like to see more Toronto dates on the itinerary.

Certainly, it's 2016, so I wonder if there's an opportunity for us to use technology and Skype to ensure that a lot of people do have the opportunity to participate on this committee. This is going to be a significant consultation and people are going to be interested in this, but it is in the summer. I think that we have to try to at least make it as accessible and open as possible. I raise that as an issue, to make this consultation completely accessible.

Under point (4), where the deadline for requests to appear be the Monday before a given week of public hearings, I think we should definitely consider the fact that we should keep this open. We're going to be asking Ontarians to be part of this process during the summer and I think that having a deadline or a cut-off date will prohibit involvement. I would actually like to see, if we have four or five delegations—say, we do go to Sudbury and we hear from them in the morning. If people come into the committee and they want to appear before us, I think they should have that opportunity to do so. Our preference would be to not have a hard cut-off date for submissions, to truly be inclusive on electoral finances.

Just the final point—so Sudbury, technology, even the timeline. We're supportive, of course, of being open to meeting with folks until 9 o'clock, but I think even this 9 p.m. should be flexible. If we're going to do this, let's be completely open and ensure that this committee is flexible to the needs of Ontarians, going forward.

That's our feedback right now.

The Chair (Mr. Grant Crack): Mr. Clark.

Mr. Steve Clark: I appreciate the motion that is presented for our discussion. I really do believe that the subcommittee needs to have a chance to look at this. I've just tried to game this motion out myself. We've got an order from the House where we're meeting Monday, Tuesday, Wednesday and Thursday of next week. We've already made a decision by order of the House for the last week of August being clause-by-clause. In addition to those two weeks that are programmed, we now have this motion which deals with four weeks. If we use the same terminology that we use at committee, that's a Monday, Tuesday, Wednesday, Thursday. You've got 16 days and 16 communities. I believe it's a very rigid time frame.

I look at these 16 communities and I would love to be able to see from the government their planned schedule on how we're going to get to these 16 communities, how we're going to be able to deal with late delegations, how we are going to be flexible. I think there's a lot of discussion that needs to take place at subcommittee. I also believe that the government needs to have some document on how we're going to accomplish these 16 communities, how we are going to be able to do this. What happens if we are subscribed fully every day until 9 o'clock?

I think Ms. Fife's point about using technology—the fact that there are some gaps in where this committee is travelling, that there are going to be Ontarians who might not be able to get to these locations on the day prescribed. Let's face it: We're travelling in the middle of the summer, with all the constraints that legislators, staff and communities have. I really do believe that a subcommittee needs to be convened as soon as possible so that we can look at this, because I think there has to be a lot of discussion before we come to grips with the schedule.

1250

Chair, through you to Mr. Baker, you're proposing that sometime next week, after we deal with our presenters, we deal with the final subcommittee report? Or are you suggesting that immediately, Monday at 2 o'clock, we deal with your motion? I would like to know how you propose that we move forward.

The Chair (Mr. Grant Crack): Thank you. We'll hold your response and go to Mr. Thibeault.

Mr. Glenn Thibeault: Thank you, Chair. I just wanted to again acknowledge the opposition on their co-operation with this and the importance of this.

Ms. Fife, what you're asking for with northeastern Ontario is very reasonable, although Sault Ste. Marie would consider themselves the western part of northeastern Ontario. I still think Sudbury and North Bay—

Ms. Catherine Fife: I said Sudbury.

Mr. Glenn Thibeault: Yes. I still think Sudbury and North Bay would be great places to look at and go to.

To both points, I think that's something that the subcommittee should get down and—down and dirty to, I guess, is a way I could say it—to get that stuff resolved.

I also think it's important to talk about—I know it was mentioned that Toronto isn't on the list in point (2), but if

we look at the motion that passed the House yesterday, it's a few paragraphs down: "That the Standing Committee on General Government be authorized to meet from 6:45 p.m. to 9 p.m. on Tuesday, June 7 and Wednesday, June 8, for the purpose of public hearings" and that "the deadline to request to appear for these dates be 12 noon" tomorrow.

So Toronto is the very first place in which it is meeting—but that's not to say that the subcommittee could add more dates to that. I think that's something that should be highlighted as well.

In terms of technology, I think that's key. I'm not going to bring up another motion at the moment because I know we're discussing the first one, Chair, but at some point I'd like to talk a little bit about the threshold for travel. If we don't have things subscribed up to 25%, then I'd like for us to have that consideration. I won't move that right now until this discussion is completed, but that is something that we've considered.

Thank you, Chair, and I'll look forward to further discussion.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Baker.

Mr. Yvan Baker: I just wanted to address Mr. Clark's question or point. There have been a lot of good suggestions here from all the members who have spoken, so maybe we just ask the subcommittee to have those discussions, tackle these questions and sort that through, maybe early next week, and then have a full meeting of the committee next week—I think it's Wednesday at 4 p.m. or something like that—to approve what the subcommittee has come up with. That would be my initial proposal.

The Chair (Mr. Grant Crack): Ms. Fife?

Ms. Catherine Fife: Just on the Toronto point: I know from our budget consultations that Toronto is sort of the centre and it's an easy place for people to access. To your point, though, MPP Thibeault, noon tomorrow for our major witness—it's not a long timeline to secure people to come in and talk to us.

I genuinely think that if we dedicate a considerable amount of time to Toronto hearings, that that's actually in the best interest of the process. Toronto is not on this list while it is next week, but for those meetings next week, the deadline is noon tomorrow. I think I can say with great assurance that New Democrats want to see a significant Toronto consultation, because it is a central place for people to come to.

I agree that the subcommittee has some work to organize the north, south, east and west travel schedule, because all of us do have lives outside of this place and some of us had vacation planned. So I do hope to see that breakdown very quickly.

The Chair (Mr. Grant Crack): Thank you very much. Mr. McDonell.

Mr. Jim McDonell: I do agree with Ms. Fife. You are missing out a big part of northeastern Ontario, at least Sudbury or North Bay. As well, Toronto is approaching half the population of this province. We have a meeting

today to decide on the order, and you're talking about a cut-off tomorrow. It doesn't make a lot of sense. You're looking at the possibility of holding a meeting in Toronto very easily—at a least a day or two or more; I'd say probably two days—to enable people to actually come in. A few hours a night doesn't seem to give this justice. This is important.

I know that the government got caught here and that's why they're rushing this through, but that's not our fault and that's not the fault of the people of Ontario. I think the people of Ontario need to be heard and I think that we want to make sure that we put a lot of careful thought so we hear opinions from all the regions that need to be heard. Technology is a possibility, but certainly with the facilities we have here, we should be able to at least sneak in an extra couple of days in Toronto near the end of the process. You're talking about some radical changes here that will affect elections going forward.

The Chair (Mr. Grant Crack): Further discussion?

Maybe I should try to summarize this. It looks like there's a way forward with regard to committing to a subcommittee meeting in the near future, so I'd be looking for ideas with regard to that. As well, perhaps, as we set that date, if that's what the committee wishes to do today, I would recommend that the three parties get together and try to come up with some logistics here as to what would be the most effective and efficient way to travel, perhaps adding more dates in Toronto. I don't want to speak for anyone, but I imagine Brockville would want to be on this list at some point, and/or Sudbury and North Bay.

Mr. Steve Clark: My colleague might disagree with you.

The Chair (Mr. Grant Crack): Okay. However, in order to facilitate an efficient subcommittee meeting, maybe some background work could be done in working on these types of things.

Madam Clerk, do you have anything that you would need to say as advice to the members of the committee on how we could move forward, from a technical perspective here?

Interjection.

The Chair (Mr. Grant Crack): I guess the idea would be to find a date for the subcommittee meeting, so I'm going to leave it up to you. We are at Wednesday here today. We are meeting next Monday from 2 to 6 p.m. So would we want to meet at some point prior to question period on Monday and/or after question period on Monday, as a subcommittee, to try to provide some definition on how to move forward? Mr. Clark?

Mr. Steve Clark: Yes. I'm not going to be the subcommittee member from our party. It's going to be Mr. Hillier, so I'll want to talk to him. But I'm sure we can work in a subcommittee meeting before that 2 o'clock Monday session. We'll pledge to participate in the subcommittee if it's mutually agreed upon by all three parties.

The Chair (Mr. Grant Crack): Ms. Fife?

Ms. Catherine Fife: Because the timelines are so tight here, just as a clarification, though: The cities that

are on this proposal—this is still completely open, because I just heard you say, “Perhaps more Toronto.” I hope that the committee heard that more Toronto needs to be included in this process.

I could meet before question period or after question period on Monday to settle this, but I do think it would be helpful if the Clerk broke down the cities by—if we follow the way the budget consultations happened, we travel one week in the north and one week in the south and have a central time in east and west. I don’t think we want to hopscotch all over the province, based on just convenience. Also, we need to give the public at least some heads-up that we’re going to be heading into their area.

I’m happy to meet Monday or tomorrow.

The Chair (Mr. Grant Crack): I would just like to remind members also that, if Monday is not a good day, and/or tomorrow, we do meet from 2 to 4 p.m. on Tuesday and Wednesday, June 7 and 8, so the subcommittee can just stay behind after 4 p.m. on one of those days, and/or both. It might take more than one subcommittee meeting to define how we’re moving forward.

1300

I would like to remind members here that we do have a motion on the floor. The discussion is evolving around this, but perhaps Mr. Baker would consider withdrawing it until such time as more definition is provided. Otherwise, we could be sitting here dealing with all kinds of amendments this afternoon. It’s looking like we’re not prepared to finalize things at this particular meeting.

Mr. Steve Clark: I agree, Chair. I think we’ve put some words on the table. We’ve pledged to meet as a subcommittee. If the member will pull it off, then let the subcommittee do its work. We can have that debate at another time next week.

Mr. Yvan Baker: I’m happy with that. I’m happy to withdraw the motion.

The Chair (Mr. Grant Crack): Okay. You don’t need to do it right now, but if there’s further discussion, that’s fine. We can continue to discuss it.

Interjection.

Mr. Yvan Baker: Yes. Toronto is still happening next week, but that’s a separate piece.

Ms. Ann Hoggarth: That has already been passed.

The Chair (Mr. Grant Crack): Okay. So Mr. Baker, for clarity, could you—

Mr. Yvan Baker: Yes. I’m happy to withdraw the motion.

The Chair (Mr. Grant Crack): Mr. Baker has withdrawn the motion that he tabled earlier on in the meeting.

I would also like to nail down a date and time for the first subcommittee meeting. We have a number of options. Mr. Baker?

Mr. Yvan Baker: One of the options proposed—I think it was Mr. Clark; it may not have been you—was maybe Monday after question period. Is that something that would work?

The Chair (Mr. Grant Crack): Monday after question period is a possibility. Okay. Is that fair, Madam Clerk? You’re okay with that?

The Clerk of the Committee (Ms. Sylwia Przedziecki): It’s up to the members, Chair.

The Chair (Mr. Grant Crack): Do we have consensus here that we could move forward with a subcommittee meeting on Monday, which would be June 6, at approximately 12 noon, following question period? Yes, Ms. Fife?

Ms. Catherine Fife: Because I’m on the subcommittee, I’m just looking at my schedule, and I’m sorry I can’t do—I could do Tuesday either before question period or Tuesday after, because we all have caucus on Tuesday. We can cut into a little bit of caucus time on Tuesday.

The Chair (Mr. Grant Crack): So Ms. Fife is proposing—

Ms. Catherine Fife: Either before or after question period on Tuesday. I have flexibility.

The Chair (Mr. Grant Crack): On Tuesday—

Ms. Catherine Fife: Yes. June 7.

The Chair (Mr. Grant Crack): Before or after. Feedback? Is Tuesday acceptable? So Tuesday following question period, around 12 noon. We could probably set a hard time at 12 noon for members of the subcommittee to discuss further the proposal that was tabled by Mr. Baker.

I know that legislative research has some questions or comments. Mr. Parker.

Mr. Jeff Parker: Thank you, Mr. Chair. Very quickly, members, I just need to know from you in advance: Would you be looking for a summary of next week’s proceedings? We can work out the ones for travel when we get to the subcommittee, but for next week, would you like a summary of the proceedings from legislative research?

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: Do you mean a breakdown of a proposed travel schedule?

Mr. Jeff Parker: No, no. We’re going to have Mr. Essensa, the Chief Electoral Officer, here on Monday, and then the rest of the witnesses. If you want a summary of what they’ve said and their comments on the bill—

Mr. Steve Clark: Absolutely.

Ms. Catherine Fife: That would be great.

Mr. Jeff Parker: Wonderful. The second question is: Are there any background resources that you would like to get ahead of time from us—any research questions you have?

Ms. Catherine Fife: Thank you very much for the offer. I think Manitoba and Saskatchewan have moved forward with similar reforms. If we could receive a quick summary of changes that those provinces have put into place, and the timing and dates—not extensive, but just an overview—that would be very helpful for us.

Mr. Steve Clark: I think we should do the federal government as well.

Ms. Catherine Fife: Federal, yes.

Mr. Steve Clark: The changes that they’ve put in.

Mr. Jeff Parker: We’ve been looking into this already, so we’ll be able to get that for you by Monday.

The Chair (Mr. Grant Crack): A couple of reminders: On Monday, June 6, at 2 p.m., we will be

entertaining the Chief Electoral Officer of Ontario; on Tuesday at 2 p.m., the leader of the Ontario Green Party; on Wednesday, the House leader from the official opposition will—and if that could be done as soon as possible to assist the Clerk. Also, the third party will be choosing a witness for the Thursday, and if that could be submitted to the Clerk as soon as possible, I'm sure the Clerk's office would appreciate that.

Ms. Fife.

Ms. Catherine Fife: Just on next week, because it's going to be a full week, has the government given any consideration—we've put out a number of asks to a number of organizations but, of course, it's a very tight timeline to actually confirm it. Has the government given any thought to a Plan B if the PCs or the NDP can't secure someone within this timeline? Do you know, Chair?

The Chair (Mr. Grant Crack): I would ask members of the government if they are able to respond to that particular question. If they're not, perhaps they could get back—

Mr. Yvan Baker: I don't have a quick response for you so we'll have to endeavour to get back to you.

The Chair (Mr. Grant Crack): Further discussion?

One last thing before everybody leaves—

Interjection.

The Chair (Mr. Grant Crack): Right. The Clerk is just indicating as well that the way the motion is written

is that it's a permissive type of motion. It's completely up to the different House leaders in the parties to bring forward a witness; they also have the option not to and, of course, then, we would not sit during that time—for clarification purposes.

Mr. McDonell.

Mr. Jim McDonell: For your first deputations for the city of Toronto—

Ms. Catherine Fife: I can't hear the question.

Mr. Jim McDonell: —do you have to do anything with that today or is that going to be—

The Chair (Mr. Grant Crack): Sorry, what's the question, Mr. McDonell?

Mr. Jim McDonell: You plan on hearing deputants from Toronto for next week—

Mr. Steve Clark: Next week.

Mr. Jim McDonell: Do you have to decide on that today or is that just going to go ahead?

The Chair (Mr. Grant Crack): The order of the House clearly states—the Clerk will be, and probably has been, receiving submissions—it's first-come, first-served, and we'll see how many actually come forward during that particular time.

Mr. Jim McDonell: Thank you.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall call this meeting adjourned. Have a great afternoon, everyone.

The committee adjourned at 1307.

CONTENTS

Wednesday 1 June 2016

Committee business	G-1139
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STANDING COMMITTEE ON GENERAL GOVERNMENT

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Monday 6 June 2016

**Journal
des débats
(Hansard)**

Lundi 6 juin 2016

**Standing Committee on
General Government**Election Finances Statute Law
Amendment Act, 2016**Comité permanent des
affaires gouvernementales**Loi de 2016 modifiant des lois
en ce qui concerne
le financement électoral

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Monday 6 June 2016

Lundi 6 juin 2016

*The committee met at 1400 in committee room 2.*ELECTION FINANCES STATUTE LAW
AMENDMENT ACT, 2016LOI DE 2016 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LE FINANCEMENT ÉLECTORAL

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.

The Chair (Mr. Grant Crack): Good afternoon, everyone. I'd like to welcome members of the committee, legislative research, the Clerks' office, Hansard and our special guests this afternoon. I'd like to call the Standing Committee on General Government to order. Today, we're here to hear from our Chief Electoral Officer in the province of Ontario, Mr. Greg Essensa, concerning Bill 201.

I will just read the order of the House, if I may, so that everyone understands the process that we're going to move forward. It's just one line, one sentence: "That the Standing Committee on General Government be authorized to meet from 2 p.m. to 6 p.m. on Monday, June 6, 2016, for the purpose of hearing from the Chief Electoral Officer of Ontario, who will be invited to make a presentation of up to two hours, followed by discussion with the officer moderated by" me, "the Chair."

It's a little bit different. We normally have three minutes of questioning and three minutes of questioning, that type of thing. I'm going to ask my colleagues, prior to commencement on the part of the Chief Electoral Officer, to respect the Chair. We're going to have a free discussion back and forth at the end and enjoy ourselves, but I would like to ensure that we can maintain order—not that there's not order all the time.

CHIEF ELECTORAL OFFICER OF ONTARIO

The Chair (Mr. Grant Crack): Having said that, it gives me great pleasure to welcome Mr. Essensa here. I will turn the floor over to you for your up-to-two-hour presentation. If you'd be so kind as to introduce yourself officially, your title and your guest with you. Thank you.

Mr. Greg Essensa: Good afternoon, Mr. Chair, members of the committee. My name is Greg Essensa. I'm Ontario's Chief Electoral Officer. I am joined today by Mr. Jonathan Batty, who is my general counsel and director of compliance.

I would like to thank the members of the committee for inviting me to speak as they begin the important task of examining Ontario's political finance rules. This is the first significant review of these rules in over 40 years. Since I became Chief Electoral Officer in 2008, I have advocated that our rules need to be updated to match how election campaigns are fought and won in the 21st century. I am happy to contribute to this important public dialogue.

I have been asked and have agreed to serve as an adviser to this committee. I am honoured that the members of the Legislative Assembly and its parties place confidence in me to provide them with advice on these matters. This is an important task, and I'd like to speak for a moment as to how I can best serve the committee.

As Chief Electoral Officer, I am an independent officer of the Legislative Assembly. My mandate includes overseeing the registration and financial reporting requirements of all parties and candidates, not just those represented in the Legislative Assembly. You might say that I referee the rules of the political game in provincial elections. I see my role as helping ensure there is a level playing field on which all compete. I will speak more about what that means shortly.

Because of my unique position, I need to observe the following parameters in serving this committee:

—My participation needs to be public and transparent. While committees sometimes have in camera meetings for report writing, I think it best that I not attend such meetings. I intend that any input or advice I give to the committee be given in an open and transparent manner.

—As an adviser, I cannot be asked and will not vote on recommendations or motions. I cannot and will not become the examiner of the committee. Members need to ask their own questions of witnesses.

—As an adviser, I cannot become a permanent witness who can be questioned by all who appear before committee. It would also not be fair to witnesses if I am asked by the committee to immediately rebut a presenter.

—I am here because I want to hear and understand the public debate. I will contribute non-partisan information and advice where I can. I may want to have my staff to

support me, but my office cannot become the policy and research secretariat for the committee. Committees are well served by the Clerk, legislative counsel and the legislative research service. We can assist, but not replace, those important roles.

—The committee's report back from first reading has to be made by the committee alone. It may be that there are dissenting views on some issues. As an independent officer, I need to be at arm's length from that process. I need to remain free to remain neutral, to agree or to disagree with any reports or recommendations.

—I may not be able to attend every hearing. I may designate someone from my office to attend in my place. At the conclusion of the hearings, I may also suggest doing a final presentation to share my perspective on what the committee may wish to consider before it begins its deliberations.

With those ground rules established, let me now turn to the issues at hand. By way of introduction, I would like to first speak to the history of the Election Finances Act, federal legislation and the role of money in politics.

The Election Finances Reform Act, as it was first titled, was introduced in the Legislative Assembly in February 1975. Prior to its introduction, a tripartite commission had been tasked in December 1972 with examining Ontario's political finance rules. The commission, known as the Camp commission, was chaired by Dalton Camp and had two other commissioners. They submitted their report to the Speaker in November 1974.

The commission studied the issues and made their report against the following backdrop:

—To the south, the Watergate scandal had unfolded and the United States Congress, in response, adopted significant election finance reforms.

—In Canada, the recommendations from the Barbeau commission in 1966 led to the introduction of federal legislation in 1974 that overhauled the financial rules governing elections to the House of Commons.

—In Ontario, there was growing public concern and dissatisfaction with party fundraising practices.

In December 1972, the Camp commission was tasked with responsibility for devising a set of rules that would "maintain a political system in which the various parties can function and campaign for public support freely and openly and ... in an atmosphere above and beyond public doubt, suspicion or cynicism...."

The task before this committee, 44 years later, is much the same. This is not to say that the rules adopted in the Election Finances Reform Act in 1975 were flawed. When they were passed, they placed Ontario as one of the leading jurisdictions in transparency and fairness in political finance oversight in Canada. Those rules, however, were tailored to a world that is much different from the one that we live in today, and it is time now to re-examine these rules.

The task before this committee, in 2016, is to consider what financial rules should apply to Ontario's electoral process in the 21st century.

As the committee is undertaking its task, I am very aware that there is a lot of discussion of the political

finance rules that apply in federal elections. Indeed, many of the provisions of the bill before the committee are modelled after the rules in the Canada Elections Act.

One of the interesting things in the Camp commission report is that in some areas the commissioners felt that the federal rules were not stringent enough. The Camp commission took issue with the fact that, for example, there were no federal contribution limits to parties and candidates.

The Camp commission noted that, "Were Ontario to duplicate the federal act, if only in the interest of conformity, the political parties, whose establishments and activities overlap in many areas, would no doubt be appreciative, since the possibility of confusion created by the existence of two distinctly different acts, provincial and federal, would then be eliminated."

However, the Camp commission also believed that "provincial politics and federal politics are not the same, as much as the parties may resemble one another, and we do not feel the provincial legislation needs so much to be congruent with the federal act as it needs to serve the general interests of Ontario."

Let me tell you what I believe. My belief is shaped from my 32 years' experience administering municipal and provincial elections. As noted in the strategic plan for my office, our vision is that we "will build modern services for Ontarians that put the needs of electors first." This is the right vision for my office and the right vision for our election laws. This is the foundational element upon which a democratic system rests. If it does not, it does not enjoy legitimacy.

1410

I think that electors do expect that there will be some congruence between federal, provincial and municipal election laws. While it is true that each level of government has its own unique facets, I believe that it serves electors best when their interests and activities are regulated in a similar way.

I believe that the Canada Elections Act includes many provisions that would be good to adopt in Ontario. For example, I have recommended for several years that administrative penalties similar to some of the compliance provisions in the federal law should be adopted in Ontario. I do not think, however, that electors simply want congruence of federal, provincial and municipal election laws. If there is simply congruence, there may not be progress.

There are some provisions in Ontario's election finance laws that are not found at the federal level or in any other province. Ontario remains the only jurisdiction in Canada, for example, with real-time disclosure of monetary contributions to parties and leadership contestants.

I think that electors look to their electoral agencies and to their legislators to learn from, build on and improve on what they see in other jurisdictions.

It is worth taking a moment to reflect on the history of election finance regulation in Canada. The last landmark study on election finances in Canada was conducted

almost 25 years ago by the Royal Commission on Electoral Reform and Party Financing; for short, it was called the Lortie commission. I imagine that the presenters to you over the coming weeks and months will refer you to its findings and recommendations.

An academic background study for the Lortie commission examined Ontario's election finance laws in 1991. The study found our laws to be a comprehensive system that served as a model for other provinces. When our system was adopted, it regulated contributions, unlike the federal system, which largely focused on expenditure limits. As the study noted, the guiding principle of the Camp commission was democratization. Its proposed system was designed to "eliminate the reality and the perception of the influence of the wealthy few in politics, enhance the political activities of ordinary citizens and promote party activity directed to the interests of the general public."

That principle rings true today. Over time, many of the political finance innovations first introduced by Ontario legislators, especially in the area of contributions, have been adopted federally.

I think it is also fair to say that the current federal contribution rules have, from the standpoint of the average citizen, surpassed Ontario's current requirements. It does not seem logical or desirable from their standpoint that union and corporate contributions are prohibited federally but not provincially. My office receives complaints about union and corporate contributions. When asked why we do not prohibit the activity, our answer is, "Because the law allows it, and we do not write the law."

The key question before the committee, and ultimately the assembly, is how it now wishes to write the law. Today, when this committee considers adopting provisions modelled on the Canada Elections Act, it may want to consider whether the rules will go far enough to serve the interests of electors.

I will be making some recommendations, in particular in the area of third-party advertising rules, that suggest we can build on and learn from federal and recent Ontario experience.

When I put forward recommendations for legislative reform, I do so from a unique vantage point as Chief Electoral Officer. I am intimately familiar with all political parties—large and small, old and new. They all require financial resources; money is an essential element in politics.

Our parliamentary system requires political parties. Without them, our system of government would be compromised. Parties require financial support. Anyone who suggests otherwise fails to appreciate their role and character.

The Camp commission put it this way: "In any system close to the ideal, a political party with a reasonable base of public support ought to have the funds so that it can maintain an efficient level of research, organization and communications capacity between elections, and campaign effectively during elections."

The hard question is not whether parties require financial support, but: What is the appropriate level of support?

In practical terms, if contribution amounts are too low or restricted, parties will not be able to function effectively. Conversely, if they are too relaxed, the perceived or actual undue influence of money can undermine the legitimacy of the electoral system.

The financial support that all Ontario political parties received in contributions from 2012 to 2014, which was one electoral cycle, was about \$98 million. This includes corporate and union contributions that amounted to about \$50 million, or about 50% of all contributions. Over that period, about \$517 million was paid in subsidies and reimbursements. It is also interesting to note that in 2014, 82% of all individual contributions to central parties were for amounts below \$1,525.

The assembly is ultimately going to have to decide what the appropriate funding sources and amounts are. It is going to have to consider what the correct balance is. I can help provide this committee with financial analysis on the options it considers.

I know this committee is going to hear from presenters about what they think the appropriate contribution and spending limits should be, and what the right balance should be between public and private funding sources. To that end, my next remarks are directed to those who will be presenting to the committee, rather than the committee itself.

Ontarians need to remember that all political parties—not just the ones that are able to elect members of the Legislative Assembly—play a critical and special role in the democratic process.

Election administrators recognize this, and so do the courts. The Court of Appeal for Ontario, when considering the validity of the federal party subsidy system, quoted the following passage:

"Political parties are something of an anomaly. They occupy a unique space in the governmental structure of constitutional democracies. On the one hand, they perform a variety of ... functions that are absolutely essential to the operation of systems of government which are grounded in the principles of democracy.... On the other hand, unlike all of the other major institutions that form part of the framework of government, political parties stand apart and quite separate from the state. Political parties live in a kind of 'never never' land; betwixt and between; neither fish nor fowl."

Boiled down to plain language, the court recognized that while political parties are private entities, they have an equally important public character. This duality is necessary because they help give citizens political choice, the most necessary element in any democracy. Because of this duality, citizens should be able to contribute their private support to a party, and parties should also receive public funding.

The Camp commission noted that, to strike the appropriate balance between private and public support, Ontario needed to adopt "a formula by which political

parties will be assured reasonable means for the purposes of meeting their campaign costs and their organizational expenses without the present heavy reliance upon large corporate or institutional contributions. If such is to be achieved, it can only be done by a mixture and method of means.”

In 1974, the Camp commission invited Ontario’s legislators to consider tax measures and reimbursements as part of this formula. As an interesting historical fact, the commission studied and rejected the idea of providing parties between elections with a subsidy in direct proportion to the votes they received in the last election, one of the main reasons being that it was believed that such a subsidy would attract the public’s ire.

In 2016, witnesses before this committee will be making their own proposals as to what the appropriate public and private funding formula is. In the same vein, my next comment is directed to the committee.

No election administrator will tell you that there is a single best election finance system. This conclusion is supported by academic literature. While there are established frameworks that apply widely accepted international principles about voting processes, there has been less progress in developing minimum standards in the area of campaign finance.

1420

This is not to say that innovations from other jurisdictions are not valuable, but there is no one-size-fits-all model to adopt. Every jurisdiction, be it in Canada or elsewhere, has to decide what system will best serve its citizens and support its political parties.

While there is no single political finance model to adopt, there are some emerging international norms that are taking shape. They are as follows:

- (1) Public funding may be provided to parties, but there is no general obligation to do so.
- (2) Where public funding is provided, it should be consistent with the principles of equality, both in the ability to be able to access the support and be proportionately awarded.
- (3) Parties should regularly and publicly disclose their assets, income and expenditures to an independent agency.
- (4) Party income and spending may legitimately be restricted. However, such restrictions should be reasonable and equally applied.

I know that this section of my remarks dealing with normative standards may sound a little like a political science lecture, and to some degree it is, because the committee may ask how our election finance laws should change and how to assess whether the change is desirable. These are the norms against which our laws will be and should be measured.

I know the committee is looking to me and to others to give them some perspective on what innovations Ontario should adopt in its regulation of political finances. My perspective is shaped by the principles of the level playing field. The normative standards I have just

described are similarly informed by the guiding principle of the level playing field.

Let me turn to what I mean by the level playing field. The concept of the level playing field is central to our democracy. Political scientists will tell you that the concept “originates in theories of distributive justice and relates to the idea of fairness and equal opportunities.” It relates to the belief that governmental change must be made possible by providing equal opportunity to those competing to govern. Legal scholars will tell you it is a concept rooted in the theories of popular sovereignty and the rule of law.

Let me tell you what it means to me as Ontario’s election administrator.

At the outset of my presentation, I said that I referee the rules of the political game and help ensure there is a level playing field. It is a helpful metaphor for my role, because anyone who has ever been in a competition, whether it be the Stanley Cup finals or a school spelling bee, knows what it is like when the officiating spoils the match. When that happens, the competitors and spectators alike know one of three things: It means the referee has poor judgment, is biased, or the rules are flawed.

When an election administrator makes a bad decision, or when election rules are flawed, the real danger is that an election outcome is not fair and proper. I believe a level playing field should be the guiding principle of all aspects of elections, both in voting rules and campaign finance rules. It is necessary for maintaining the integrity of the electoral process. This is for very practical reasons. As one international expert observed, “To the extent that electoral outcomes should reflect the genuine will of the people, the regulation of party finance assists ... by reducing financial inequalities between parties that could distort the translation of citizen wishes into policy proposals.”

Financial inequalities may be remedied through a variety of means that include contribution and spending rules and public subsidies. The concept that election laws should afford a level playing field is widely accepted in Canada and internationally. The Supreme Court of Canada has endorsed this principle. The level playing field is an integral part of section 3 of the Canadian Charter of Rights and Freedoms.

Section 3 of the charter provides every Canadian with the right to vote. Our courts have ruled that this means more than just the “bare right to place a ballot in the ballot box.” The courts explain that the right affords the right to effective representation.

In respect of a law that discriminated against small political parties, section 3 was found to include the following protection for voters: “The right to play a meaningful role in the electoral process includes the right of each citizen to exercise the ... vote in a manner that accurately reflects his or her preferences. In order to exercise the right to vote in this manner, citizens must be able to assess the relative strengths and weaknesses of each party’s platform, and in order to assess the relative strengths and weaknesses of each party, voters must have access to information about each candidate.”

In respect of a law that limited third-party advertising, section 3 was found to include the following protection for voters:

“Where those having access to the most resources monopolize the election discourse, their opponents will be deprived of a reasonable opportunity to speak and be heard. This unequal dissemination of points of view undermines the voter’s ability to be adequately informed of all views. In this way, equality in the political discourse is necessary for meaningful participation in the electoral process and ultimately enhances the right to vote.”

The reason I like and have quoted both these passages is because the Supreme Court puts the elector at the centre of the consideration in determining the validity of the election law at issue. In my role, I have to be aware of and consider this balance.

There are some, though, who would argue that placing limits on such things as third-party advertising is an infringement on the right of free speech. The Lortie commission of which I spoke earlier considered this very issue, and reported this:

“Freedom of expression is essential if there is to be meaningful debate on important and contentious issues.... At the same time, the capacity to spend money on advertising campaigns to publicize an individual’s or group’s views on election issues, parties or candidates is not an appropriate measure of whether individuals or groups have sufficient opportunities to exercise their right of freedom of expression. The ability to spend significant amounts of money to promote one’s view is not, in itself, a requisite for freedom of expression.”

It also quoted:

“To ensure a right of equal participation in democratic government, laws limiting spending are needed to preserve the equality of democratic rights and ensure that one person’s exercise of the freedom to spend does not hinder the communication opportunities of others.”

Our Supreme Court has stated that it has relied on the Lortie commission’s findings to shape its “conception of electoral fairness.” This conception is basically that of the level playing field. In the words of the court, it is “consistent with the egalitarian model of elections adopted by Parliament as an essential component of our democratic society.”

While maintaining a level playing field is easily acknowledged by our courts as a valid legislative purpose for Canadian election laws, the same is not true in the United States. In recent years, that concept has been expressly rejected by a majority of the United States Supreme Court. I will not go into that recent legal history, but I will tell you what I have seen and learned from my counterparts in the United States.

I am a member and past president of an international organization of accountability officers called COGEL, the Council on Governmental Ethics Laws. It is based in the United States and was founded in the wake of Watergate. It was established to recommend best practices and compare legal developments, especially in the area of campaign finance regulation.

My counterparts are very concerned about the unregulated and unlimited amounts of money that can be spent by some entities in US elections. They see Canadian rules and envy them. However, when I discuss some of the emerging trends I see in our elections, especially in the area of third-party advertising, they warn of how electoral outcomes have been affected by such activities in their jurisdictions.

Let me turn to the issue of third-party advertising. I want to recommend to you how our rules should balance between freedom of speech and electoral equality.

This is the third time I have appeared before a committee of the assembly to speak to the topic of advertising in provincial elections. As Chief Electoral Officer, I have made it a priority to recommend changes to our election laws so that elections can be administered in ways that are responsive to the needs of citizens and to their local communities.

In my remarks about third-party regulation, I will discuss what I have recommended to you before, what I have seen in recent years, and what I am recommending to you now.

1430

In December 2008, shortly after I became Chief Electoral Officer, I recommended to the Select Committee on Elections that the advertising provisions of the Election Finances Act should be reviewed. I noted at that time that the law had been drafted over 30 years ago and the way in which campaigns are run had changed. I then documented my recommendations in a report I tabled with the committee in February 2009.

In May 2009, I was invited to appear again before that committee to discuss third-party advertising, and I was happy to do so. At that time, I said:

“It is important to remember that apart from parties and candidates, there are individuals and organizations who participate in the democratic process. These third parties participate in elections by commenting on a candidate or party’s position, adding issues into the political debate in an election and attempting to influence which parties or candidates are elected.

“Third parties participate in the democratic process by sponsoring advertising, the same way as candidates and parties. They advertise before and during campaigns to deliver a message about a particular issue or about the merits of a specific party or candidate.”

At that same appearance before the select committee, I also reviewed the history of Ontario’s third-party advertising rules and changes made before the October 2007 general election. The rules already imposed black-outs on third-party political advertising and treated third-party advertising as a contribution to a party or candidate, provided there was direct evidence the advertising had been specifically controlled by a political party or a candidate, and, if that third-party advertising was controlled by a party or candidate, that the cost of such advertising was (1) subject to the contribution limits; and (2) treated as a campaign expense of the party or candidate.

The changes made in 2007 imposed new rules on third-party advertisers who are not controlled by a party or a candidate. These rules, which are in place today, require third-party advertisers spending over \$500 on election advertising to register with Elections Ontario, and for registered third-party advertisers to report on (1) their advertising spending six months after an election; and (2) all contributions they received during the campaign and in the two months before the election was called. These provisions are similar to federal third-party provisions, with the exception that the amendments did not impose any spending limits.

In total, 20 entities registered and reported on their advertising activities in the 2007 general election. Based on what I saw in the advertising expenses and contributions reported by third parties coming out of the 2007 general election, I recommended to the Select Committee on Elections that it was time for a review of Ontario's political finance and third-party advertising rules. I invited the Select Committee to consider the following questions:

- (1) Should Ontario adopt third-party spending limits?
- (2) Should Ontario adopt third-party contribution limits?
- (3) Should Ontario adopt stricter registration and anti-collusion provisions?

These are the very same questions that are before this committee.

When I invited the select committee to consider these questions in 2009, I also said this: "I do not have the answers to these questions or particular policy recommendations to make to you. As Chief Electoral Officer, that is not my place." Today, seven years later, I do have some policy recommendations for you to consider. In the intervening years, there have been two general elections and 16 by-elections.

My role, as I've stated, as Chief Electoral Officer is to maintain a level playing field. I am mandated by the Election Finances Act to make recommendations for legislative change and changes to spending and contribution limits. It is my place to make recommendations where I have undisputed evidence that something is outdated or that the level playing field is in danger of being distorted.

In my 2012-13 annual report, I first recommended that a comprehensive review was necessary to provide specific recommendations on how Ontario can:

- (1) adopt third-party spending limits;
- (2) adopt third-party contribution limits; and
- (3) strengthen the reporting requirements for third parties and adopt stricter registration and anti-collusion provisions.

Third parties need to be treated like any other political entity that tries to influence electoral outcomes.

Let me now speak about third-party advertising trends since 2007. To show you these trends, my written submission contains a table that depicts a summary of third-party advertising between 2007 and 2014.

In the 2007 general election, there were 20 registered third parties, and they collectively spent \$1.85 million. Of note, the collective advertising spending of third parties amounted to 5% of all election spending in this general election. There were three third parties that spent between \$100,000 and \$1 million, and there was one third party that spent over \$1 million—it spent \$1.08 million.

In the 2011 general election, there were 22 registered third parties, and they collectively spent \$6.08 million. Of note, the collective advertising spending of third parties amounted to 14% of all election spending at this general election. There was one third party that spent between \$100,000 and \$1 million, and there were now three third parties that spent over \$1 million—one of which spent almost \$2.7 million.

In the 2014 general election, there were 37 registered third parties, and they collectively spent \$8.64 million. Of note, the collective advertising spending of third parties amounted to 17% of all election spending at this general election. There were six third parties that spent between \$100,000 and \$1 million, and there were three third parties that spent over \$1 million—one of which spent almost \$2.5 million.

We also see that third-party advertising has recently assumed a significant role in by-elections. Before the 2011 general election, there was no registered third-party advertising in any by-election. Since 2012, there has been a marked increase. I will not run through all the by-election figures; I will let the table speak for itself. However, I will draw the committee's attention to what was spent on third-party advertising in the two concurrent by-elections in September 2012.

The eight registered third parties collectively spent \$1.66 million, one of which spent almost \$782,000. In those two by-elections, the parties and candidates collectively spent only \$1.05 million. Third-party spending constituted about 61% of all spending in this campaign period.

When looking back over the last nine years, these figures show that third-party advertising has played a significant and growing role in Ontario elections. Although the number of third-party advertisers has almost doubled, it is evident that the spending has increased even more dramatically, so that these advertisers now play a disproportionately large role in election campaigns.

The problem with our current rules is that they provide third parties an almost unlimited ability to raise and spend funds, in contrast to parties and candidates, which are subject to limits. The latitude afforded third parties has allowed them to spend amounts on political advertising that surpass the amounts spent by political parties.

Let me speak for a minute about what these figures do not show. These figures do not show the significant expenses that some organizations must be incurring on political advertising between elections that directly promotes or opposes leaders and their parties. In recent

years in Ontario, anyone who has opened a newspaper or watched television has seen third-party advertising between elections depicting provincial party leaders. We do not know what these advertisers spent.

Some advertisements have appeared during Oscar broadcasts and Stanley Cup playoffs or in major dailies. Because they appeared before the scheduled or anticipated call of a general election, the advertisers were not required to register and report on their contributions and expenses to Elections Ontario.

We do, however, know two things about party- and leader-focused advertising between elections:

(1) The advertising was intended to have an effect on the outcome of the upcoming general election; and

(2) The contributions and costs must have been considerable.

1440

Ontario's experience with third-party advertising in elections is unique in Canada, even in comparison to what we have seen in federal elections.

As a way of federal comparison, Ontario makes up just under 40% of the Canadian population and has just under 40% of the seats in the House of Commons. In comparing federal and Ontario elections, we would normally think that all things being equal, third-party participation in election campaigns would be similar.

In the last federal general election in 2015, there were 114 registered third parties. In the last Ontario general election, there were 37. Given that federal elections span the country, the number of third-party advertisers we had in Ontario is proportionate. However, the similarities end there. Comparatively more is spent on third-party advertising in Ontario provincial elections.

While it is true that there are federal third-party spending limits, the dramatic difference between the two jurisdictions cannot be explained by the existence of federal third-party spending limits.

In the last federal election, the total spending on third-party advertising amounted to \$6.05 million. The individual spending limit for third parties was just under \$440,000, but they spent, on average, only \$53,000. The limit allowed third parties to collectively spend about \$1.40 per person in Canada in the 2015 federal general election, which had a writ period twice as long as usual. In actuality, they collectively spent only 17 cents per person.

In the last two federal general elections, third-party spending has been well below the spending limits.

In 2015, 104 of the 114 third parties spent less than 50% of the \$440,000 that was allowed. While one third party spent close to the maximum amount, it was one of only four that spent over 80% of the limit.

In 2011, 51 of the 55 third parties spent less than 50% of the \$188,000 that was allowed. No third party spent close to the maximum amount. The closest spent \$166,000, or 88% of the limit.

At the federal level, this would tell us that the current spending limits are generous; very few approach the limit.

How do we compare? If Ontario had a proportionate third-party spending limit in the last general election, it would have allowed third parties collectively to spend about 22 cents per person in contrast to the 63 cents they actually spent. The spending limit for an individual third party in the 2014 general election would have been about \$82,000. This would have meant that 10 of our 37 third parties could have spent the maximum allowable amount and another three could have spent more than 50% of the maximum amount.

The scale of third-party advertising in Ontario is much greater than it is at the federal level. The committee must keep this in mind as it considers how best to regulate third parties.

Bill 201 includes some provisions that are modelled upon the current federal legislation regulating third parties. The model was first enacted 16 years ago.

The federal third-party rules were designed in the 1990s. The drafters had to consider the judicial rulings from prior years that had struck down federal laws prohibiting third-party advertising in elections.

The current federal rules withstood challenge in 2004. When the rules were upheld by the Supreme Court, the decision spoke of the need to balance the rights of third-party advertisers with the rights of electors. Of primary importance, the court found that electors need to be presented competing opinions. Political discourse in an election should not be monopolized because it can distort electoral outcomes.

Bill 201 includes definitions, spending limits and anti-collusion provisions that are found in the Canada Elections Act.

I have spoken for a number of years of the need to consider third-party spending and contribution limits, and I'm glad that the committee will have the opportunity to hear from Ontarians on these important topics.

When considering spending limits, the committee should keep in mind that the third-party spending limit proposed in Bill 201 is proportionately somewhat larger than what is allowed under current federal rules.

When considering contribution limits, the committee should keep in mind that third-party activity in Ontario politics has had a greater presence than in federal politics. Adopting federal limits will not necessarily mean that their advertising will be scaled back. Most federal third parties do not spend nearly as much as they might. Ontario's third parties appear to have comparatively greater resources at their disposal. They may spend closer to the limits than their federal counterparts.

In election laws, contribution and spending limits are often adopted together. We see this, for example, for other political entities. Bill 201 does not propose contribution limits to third-party advertisers. I do recommend contribution limits be adopted. I think this is an area the committee may wish to invite comment on from presenters who appear before it.

I have some additional recommendations related to third-party advertising that, in practical terms, will help strike the balance between freedom of speech and

electoral equality. These recommendations address anti-collusion provisions, advertising between elections, and the need for clear and contemporary definitions.

From a regulatory perspective, the primary risk of collusion in respect of third-party advertising, especially when there are contribution and spending limits for parties and candidates, is collusion between those running for office and third parties. For example, a candidate may be tempted to coordinate his or her activities with a sympathetic third-party advertiser in order to circumvent contribution and spending limits. I think that Bill 201 should have more stringent anti-collusion provisions.

To prove collusion under our current legislation, collusion can only be established where it can be proved that a third party's advertising has been done with the knowledge and consent of a candidate or party. It essentially means that the candidate has to have controlled the advertising. I will leave it to the lawyers to tell you how hard it is to prove there is direct evidence of this sort of control.

What I will tell you, as an election administrator, is that it undermines confidence in the electoral process. The public can plainly see that candidates and organizations that claim to be non-partisan are able to actively coordinate their advertising. They are not prohibited from doing so because neither is exercising direct control over the other. This sort of coordination is especially troubling when an organization relies on former political staff or partisan strategists to shape a third party's advertising. The public sees this as an apparent conflict of interest, and I do, too.

I believe our election law needs to directly address this matter. There are clear regulatory precedents for doing so. In the United States, the Federal Election Commission and a number of state jurisdictions have adopted rules that prohibit coordination between campaigns and independent organizations, like the PACs we read so much about in US elections. I recommend that our election laws have new provisions that prohibit coordination among parties and third-party advertisers.

Specifically, there need to be rules that deem it to be coordination when former political staff, party officials or a party's consultants are involved with third-party advertising activity. Unless we have this sort of "deeming rule," it is virtually impossible to prove collusion between a candidate and a third party. In the US provisions to which I refer, a person can defend against this deeming rule if they can prove their work is not timed or coordinated with a campaign.

I am glad to see that Bill 201 recognizes that political advertising between elections is an increasing practice that distorts the level playing field. This is an area that is not currently addressed in federal rules. I think it important that Ontario's legislators turn their minds to this issue, as what they adopt may become a model for the country.

What is proposed is that in the six-month period before a regularly scheduled election is called, the political advertising of parties be limited to \$1 million, and for third parties it be limited to \$600,000.

I am concerned that the advertising of third parties has not been regulated throughout the whole period between elections. The restriction would only, in effect, regulate activity in the last six months of the life of a Legislature. In cases where there is a minority government, where some may say a party's hold on power hangs in the balance and political advertising may dictate whether it rises or falls, these proposed rules have no effect.

1450

Because of what Ontarians have witnessed in the way of third-party advertising prior to the 2014 general election, which was not a scheduled general election, I do believe that activity needs to be made more transparent. The spending on advertising between elections that directly depicts leaders and their parties, and specifically advocates that citizens support or oppose them when they are next at the ballot box, should be regulated.

You may hear from lawyers and constitutional experts that imposing spending limits throughout the full period between elections may pose constitutional challenges. To that concern, I would note that even if there are no limits imposed, it would serve Ontarians well to know who is spending what on trying to affect the outcome of the next election.

When I administer our election laws, I believe it is important that the rules be up to date and clear. When they are not, it can confuse citizens and afford opportunity for some to argue and interpret the rules for their own partisan advantage.

I have said for many years that the definition of political advertising needs to be updated. When the Election Finances Reform Act was first passed, it provided some very specific definitions as to how the dominant media of the day should be regulated. It applied to television advertising, radio advertising, daily newspapers, weekly newspapers. When the act was amended in 1999, it imposed a general rule for a new medium called the Internet and has since been amended to acknowledge such things as websites.

Think of what the Internet embraces today. In the 1970s, it would have been like simply saying that advertising transmitted using electricity was subject to blackout. Our act has not kept pace with technological developments and their use in the campaign context. It needs to be updated and it should be revisited in a thoughtful way.

I am concerned that, apart from the need to be updated in terms of the means of communication, the definition of what is political advertising needs to be carefully considered. Having read Hansard from the assembly, there is debate that government advertising, depending on its content, may in some cases now be treated as political advertising and be subject to review under the Election Finances Act.

As Chief Electoral Officer, I would like some clear direction about whether or not government-sponsored advertising is now covered by this statute. This is why: The definition of "political advertising" has been changed to include "advertising that takes a position on

an issue with which a registered party or candidate is associated.” I understand the policy intent behind this provision. I agree with the intent, as it is designed to level the playing field. I am concerned, though, about how this rule applies in practice.

Applying this rule is not just as easy as reading party and candidate platforms or reading their news releases. That in itself can be a challenging task as there are at any one time more than 20 parties in Ontario, and there are several hundred candidates in each election. No election agency can have perfect knowledge of the issues at play in every corner of the province.

An issue that is not associated with any party or candidate one day may be associated with them the next. One day a third party could lawfully engage in an unregulated multi-million-dollar advertising campaign. The next day, if it becomes an issue that a party or a candidate becomes associated with, it becomes an unlawful activity.

That means that I would need to advise organizations who wish to comply of what the “real” rule is. The “real” rule is not whether the advertising is associated with a party or a candidate; the “real” rule is whether it may become associated with a party or a candidate.

This uncertainty helps no one. I know that this definition is borrowed from the federal law passed 16 years ago, but I would like to recommend that Ontario legislators adopt a clearer rule.

The challenge with drafting this provision is that no one has a desire to interfere with free speech. It is an important concern and is the subject of much constitutional debate in Canada and the United States.

During an election, it is impossible to make a principled and consistent distinction between what is campaign advertising and what is issue-based advertising. As decisions of the United States Supreme Court have noted on at least two occasions, “What separates issue advocacy and political advocacy is a line in the sand drawn on a windy day.”

Closer to home, the Lortie commission grappled with this very issue and came to the same conclusion. The commission noted, “Any attempt to distinguish between partisan advocacy and issue advocacy—to prohibit spending on the former and to allow unregulated spending on the latter—cannot be sustained. At elections, the advocacy of issue positions inevitably has consequences for election discourse and thus has partisan implications, either direct or indirect: voters cast their ballots for candidates and not for issues.”

I see this bill, therefore, as inevitably requiring that Elections Ontario regulate issue advertising. However, the period that is regulated now precedes the call of a scheduled general election by six months. I am therefore concerned that the new definition, coupled with the extended non-election period to which it now applies, could capture advertising activity that was not intended. This is one reason, for example, that I want it to be very clear whether or not the act applies to government-sponsored advertising.

In light of these particular questions, and the comments I have made for regulating third-party advertising between elections, I have a recommendation to make to this committee. I recommend that the definition of political advertising proposed in the bill apply only during writ periods—in other words, that it not apply to the six months preceding the call of a scheduled general election.

I believe that we should have the same rules in place regardless of whether or not there could be an unscheduled general election. I believe that all third-party political advertising should be regulated for the whole period between elections. Like other political entities, an organization that regularly solicits contributions for political advertising and sponsors such advertising should publicly report on the source of those contributions and how much they spent annually and in elections.

Between elections, issue-based advertising should not be regulated. I do not think it is helpful in the non-writ period to use the measure of whether or not the advertising is associated with a candidate or a party. Rather, I propose that third-party political advertising that is subject to regulation and reporting is solely limited to advertising that directly depicts leaders and their parties, and specifically advocates that citizens support or oppose them when they are next at the ballot box.

I think these recommendations meet three policy objectives:

(1) They respect the level playing field. They strike a balance between the competing concerns of freedom of speech and electoral equality.

(2) They make transparent activity that is designed to influence electoral outcomes that would otherwise remain undisclosed.

(3) They provide clear and discernible standards that are clearly understood and can be consistently administered.

Having discussed third-party advertising rules in detail, I would like to turn to other equally important aspects of the bill. Like the Camp commission, this committee needs to ensure that parties have adequate funds to conduct research, organize, communicate between elections, and campaign in elections. Bill 201 proposes the most significant redesign of Ontario election laws in more than 40 years. The most important proposal is the elimination of union and corporate contributions and the adoption of an annual subsidy. In some cases it proposes rules similar to those in place federally but in other cases departs from those rules.

There are five major subjects the bill addresses:

- (1) contribution sources;
- (2) annual subsidies;
- (3) contribution limits;
- (4) campaign spending limits; and
- (5) campaign expense reimbursements.

Let me summarize some important considerations in respect of these five subjects and then say a few words about some technical amendments.

The first area that I would like to discuss is contribution sources. Federal contributions from individuals, corporations, and unions were lowered in 2004. Corporate and union contributions were finally banned in 2007, at the same time individual contribution limits were again lowered. Rather than adopt a piecemeal approach, this bill in one step prohibits all contributions from corporations and unions and lowers the limits for individuals to be in line with the federal system.

1500

As was the case at the federal level, eliminating corporate and union donations will have a significant impact on party income levels. In the period from 2012 to 2014, which contained three annual periods, several by-elections and a general election, union and corporate contributions made to Ontario's four largest parties amounted to just over \$50 million.

Eliminating corporate and union contributions may encourage campaigns to rely on loans to a greater extent than is the case today. It could also be the case that individual contributions may be used to mask contributions from union and corporate sources. Elections Ontario will need to implement compliance strategies to address any regulatory risks.

My next remarks on annual subsidies are closely tied to the topic of contributions. Federally, an annual subsidy was introduced in 2003. Corporate and union contributions were not prohibited at the federal level for another four years, so subsidies were introduced in circumstances unlike those before this committee.

Federally, special transitional rules were adopted to immediately implement an annual allowance, paid quarterly to registered parties. They were paid \$1.75 for each vote the party received in the last general election. In 2011, the Canada Elections Act was amended to phase out the awarding of annual party subsidies. It was phased out over a three-year period, from 2012 to 2015.

In contrast, Bill 201 proposes that Ontario phase in an annual party subsidy over a five-year period. In the first year, an eligible party would receive \$2.26 per vote. That multiplier is steadily reduced until it flatlines at \$1.13 in the fifth year. This would give the four largest parties approximately \$10.7 million in 2017 and \$4.7 million in the first half of 2018.

If the \$1.75-per-vote subsidy that once existed federally was adopted, it would only provide the four largest parties with approximately \$8.3 million in 2017 and \$4.2 million in the first half of 2018. In comparison, in 2014, these parties, their associations and their candidates took in over \$26 million from corporate and union donations.

The proposed subsidy does not provide a dollar-for-dollar replacement of the expected loss of contribution income from corporate and union sources or the individuals who once donated more than \$1,550 every year. While the subsidy provides a more stable source of funding, and the elimination of corporate and union contributions means fewer overhead costs are incurred in relation to attracting such contributions, the proposed annual subsidy does not appear to be designed to over-enrich the party coffers of our largest parties.

The level playing field needs to apply to all political parties. The proposed approach is prudent given that Elections Canada itself noted that federal "public funding measures introduced in 2004 (and partially repealed since) have benefited mostly the parties represented in Parliament, and the gap between those parties and the others has grown."

Generally, the contribution limits proposed for Ontario are similar to those in place federally. The proposed contribution limits also have the effect of levelling the playing field. Currently, in an annual cycle with a general election, the provincial rules allow a single contributor to give to a party, its candidates, and its associations a total of \$33,250. This amount is compounded because multiple and overlapping contribution periods are allowed when by-elections occur. Bill 201 proposes to lower individual contribution limits and remove what some have called "the by-election loophole."

The committee should be aware that while the annual individual contribution threshold is being lowered, it may not significantly limit what donors actually give parties and candidates. Our research from the 2014 general election and the annual period shows that 94% of all individual contributions to candidates and associations for the four largest parties were for amounts of less than \$1,330. For these four parties, 82% of their contributions from individuals were below \$1,525.

I think that, overall, these provisions will serve to limit the disproportionate amount that some individuals were able to donate in comparison to their fellow citizens, and I welcome these amendments.

I would next invite the committee to consider the issue of spending limits. Campaign spending limits in federal and Ontario elections, with two major exceptions, are similar. The two exceptions, though, distort the level playing field.

Federally, travel and research and polling expenses are subject to spending limits. Federal parties and candidates cannot significantly outspend each other on these expenses, and what they do spend may be reimbursed. Parties and candidates in Ontario, by contrast, can outspend each other and are not reimbursed for these expenses. I recommend that research and polling expenses and travel expenses are subject to spending limits.

I'd now like to move to the subject of reimbursements. I am heartened that the threshold for obtaining candidate reimbursements has been lowered as they have been lowered federally. I am interested that the thresholds for party reimbursements have not been similarly lowered and that, in respect of party and candidate reimbursements, the qualifying amount has not been increased to match what is in the Canada Elections Act. Federal reimbursement thresholds were lowered and reimbursement thresholds were increased when contribution limits from individuals, corporations and unions were lowered in 2004.

While the expense reports from the 2015 general election will not be reported until later this month, the expense reports from the 2011 federal general election

show the following reimbursements for parties and candidates:

—The Conservative Party of Canada received \$21.11 million.

—The Liberal Party of Canada received \$17.39 million.

—The New Democratic Party received \$14.16 million.

—The Green Party received \$1.21 million.

Following the 2014 general election, their provincial counterparts respectively received these amounts:

—The PC Party of Ontario received \$1.8 million.

—The Ontario Liberal Party received \$1.79 million.

—The Ontario New Democratic Party received \$1.02 million.

—The Green Party of Ontario received \$43,566.

Even taking into account the differing scale of the respective elections, federal election reimbursements are considerably greater than they are in Ontario.

I look forward to observing what presenters before the committee have to say with respect to reimbursements.

Finally, there are a few administrative matters that Bill 201 addresses. Bill 201 proposes that:

—Nomination contests will now be subject to registration, contribution, spending and reporting requirements.

—Loans will be regulated more in accordance with the federal rules.

—Leadership contests will be subject to greater contribution, spending and reporting requirements.

I look forward to observing the discussion on these matters and providing my perspective on them as this bill proceeds through the legislative process.

Before I conclude my remarks, I would like to thank you again for inviting me to assist with this process.

I believe Ontario is at a watershed moment. This committee, and ultimately the assembly, is considering how best to regulate political finances—the very lifeblood of election campaigns—for the 21st century. In doing so, the assembly must strike the careful balance between free speech and the principles of egalitarian elections in the modern electoral context.

I have made extensive comments on political advertising, public subsidies and other matters addressed by this bill. Thank you for providing me the time to share my thoughts on these subjects with you. I anticipate that I am going to be the first of many who do so.

I am very cognizant that Bill 201 has been referred to committee directly after first reading. This provides both the committee and the people who appear before it the opportunity to consider the legislation from first principles.

At the outset of my presentation, I discussed the concept of the level playing field at some length. I believe it is the guiding principle that should inform the design of election finance legislation. It provides a principled standard against which the comments and recommendations made to you in the course of these hearings can be assessed.

I hope my recommendations from today will be of use, and I look forward to assisting you as you proceed. I am looking forward to observing the submissions from others, as I am sure they will be very informative. If, at the conclusion of your hearings, I have further thoughts to share in light of what I have heard, I would welcome the opportunity to present to you again.

I thank you for your attention this afternoon. I would be more than happy to answer any questions you may have. Thank you, Mr. Chair.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Essensa, for providing your submission this afternoon.

I know that members of the committee are really eager to begin the discussion. I'm just wondering if anyone would be interested in a small recess or if we want to get into it. It's the committee's prerogative.

Mr. Randy Hillier: Take five.

The Chair (Mr. Grant Crack): Close to five minutes?

Mr. Mike Colle: Ten minutes?

The Chair (Mr. Grant Crack): Is 10 okay? Okay. We'll recess for 10 minutes and let Mr. Essensa gather his thoughts after that in-depth presentation. I appreciate it.

We're recessed.

The committee recessed from 1511 to 1524.

The Chair (Mr. Grant Crack): Good afternoon, once again. We shall reconvene the committee meeting.

As I had made my introductory remarks, this is an open discussion, so I would ask that everyone be respectful. Of course, I know that's going to be the case. Perhaps utilize the Chair to your advantage, and I'll help to guide your discussions.

Mr. Hillier?

Mr. Randy Hillier: Thank you, Chair, and we'll certainly look for a lovely moderated conversation this afternoon.

But before I ask a couple of questions, might I ask: If we don't complete all our questions today of Mr. Essensa, will we have the opportunity to request his presence back to the committee for further discussions and conversations?

The Chair (Mr. Grant Crack): At this time, not according to the order of the House and the time frame that we have for this particular week, but in the future I would—

Mr. Randy Hillier: I'm not saying this particular week, but at some other time during our weeks, and if Mr. Essensa would be amenable to returning.

The Chair (Mr. Grant Crack): Right. Mr. Essensa has actually offered to come back to the committee at further notice. However, this is just on first reading as well, so we will be going through public hearings as well, at which time Mr. Essensa could return.

Mr. Randy Hillier: Super.

The Chair (Mr. Grant Crack): I'm pretty optimistic that—

Mr. Randy Hillier: Okay.

I might start with just two questions of Mr. Essensa, and that's as a result of your presentation. Before getting into recommendations, there are two things. First, I was astonished at the revelation of the disproportionate level of third-party advertising in Ontario as compared to federal elections. I know you use words that the bill needs to help prevent collusion and any appearance of collusion and whatnot, but I want to know if you have any rationale or explanation of why there is such a disproportionate level of third-party advertising into provincial elections as compared to federal. I think the numbers you showed identify that there's about a four-fold or 400% greater involvement in third-party advertising in provincial elections.

The other question was, you mentioned in your statement that you've received complaints about union and corporate donations, but you were not able to examine or investigate those complaints because, of course, they were lawful. But maybe if you could expand on that as to what those sorts of complaints entailed and what were some of the circumstances surrounding them, or if there's any other context that might be shared with the committee so that we have an understanding of what the public was concerned about with those complaints.

Mr. Greg Essensa: Thank you, Mr. Hillier, for the questions. I'll begin with the first one.

As I've indicated and the table in the back of my submission to you depicts, we have seen almost a straight-line increase in the amount of spending that has been incurred here in Ontario from third parties.

Back when legislation was introduced in 2007—and I made reference in my comments—I appeared before the select committee in 2009 and indicated at the time that I felt it was important to review this because we were seeing this disproportionate amount of money that was being spent here in Ontario in comparison to what we were seeing at the federal level. Since that time, as the numbers in the submission indicate, that number has been going almost straight northward, and now we're at a point where we are seeing third parties in fact outspend political parties in our provincial elections.

It's the unregulated nature of this that has brought me to the point of raising the spectre—that one of the key guiding principles to me in my role is to ensure a level playing field.

Mr. Randy Hillier: Do we see this in other provincial jurisdictions?

Mr. Greg Essensa: We don't. Not every jurisdiction in Canada has third-party spending rules. Most do, but most have some form of regulation far greater than ours. In Quebec, it's very, very low. It's about \$100. Provinces like Manitoba—I don't have the exact number, but they're around \$5,000. The numbers are considerably, considerably lower than what we have seen as spending here in Ontario.

Mr. Randy Hillier: Do you attribute that to the unregulated nature, or is there some other motivating factor that is encouraging people to spend that disproportionate level who are seeking an outcome in this province as

compared to any other province or the feds? We're not seeing that at the municipal level—not that I'm aware of; not that I've seen. We're not seeing it at the federal level or other provincial levels. But Ontario is an outlier, it appears, and people are willing to spend significant amounts of money to influence an outcome in a general election here.

1530

Mr. Greg Essensa: I'm not in a position—there are probably some presenters who will be before this committee over the course of the several weeks that you're sitting, some academics who might be in a better position to answer that question as to the reason why that is. I can only tell you, as Chief Electoral Officer and as the lead electoral administrator in the province, it is clear to me that the unregulated nature of this is troublesome. I do think that the committee now has an opportunity to address it in a fulsome manner.

The second part of your earlier question was in relation to the questions that my office receives. In every election, and it seems it's somewhat on an increasing number as well, we do receive a number of people calling us complaining about third parties. The complaints are all over the map, to be perfectly honest. Sometimes they complain about the fact that these advertisements are occurring so far in advance of the general election. Sometimes they want to know who is funding these advertisements. They want to know who is behind the contributions of those. Often, as I indicated, we're not in a position to be able to answer those because none of those third parties are required to provide any details to us as to what they spend or who contributes to them prior to the writ being issued.

Any advertisements that take place three months, five months, six months in advance of an election—there is very little transparency here in Ontario as to who is contributing and what amounts of money they're spending, and, from my perspective, I think that the ads are obviously intended to have a direct relationship to the electoral outcome in the next general election. I think there needs to be greater transparency surrounding that.

Mr. Randy Hillier: But your statement, what I took out from it originally was not just third-party advertising but direct political donations or contributions. Maybe you could—

Mr. Greg Essensa: I actually believe, and I have stated this in reports, that third parties should be treated the same as all other political actors. What I mean by that is that candidates, parties and constituency associations all have greater transparency requirements. Your constituency association and your party have to file with my office an annual report based on contributions they brought in and what expenditures they had. That's all transparent. We make that public.

Third parties only have to provide to us what they spent during the writ period and the six months after the writ period, and they only have to provide to us who contributed during that period. The other time frames throughout the course of the calendar year, we have no

insight into. Given the nature and the scale upon which we have seen third-party advertising explode here in Ontario, I think we need to have greater transparency around that. The third parties should be treated similarly to all the other political actors.

The Chair (Mr. Grant Crack): We're going to move to Mr. Rinaldi. Following that, we'll move to Ms. Fife. Mr. Rinaldi.

Mr. Lou Rinaldi: Thank you for a very comprehensive—sorry, I was a bit late coming in, but I appreciate the written comments to go through. You make some valid recommendations on this, so obviously you had an opportunity to review the proposed legislation in front of us that this committee is going to talk to a number of folks.

Besides individual recommendations you have made based on what is here, I wonder if we could get your comments on a little bit about the process that we're taking—whatever it's going to accomplish, at the end of the day, we don't know that yet, obviously—and if there's anything else that your office or yourself can add to the discussion.

Mr. Greg Essensa: Sure. I think any process that is open and transparent and invites experts on this subject to attend as frequently as what I understand this committee is going to do is a very solid process. I think it's important to hear from a wide array of individuals who have input that will be of value to this committee. I understand that this committee is going to be travelling the province throughout the course of the summer. I think that that adds great value. It allows individuals from all walks of life to provide input to all committee members.

As I indicated at the very outset of my speaking remarks, I was honoured that the committee asked me to make myself available as an adviser to the committee. I think that I can provide insight in my unique role, as Chief Electoral Officer, as to how certain recommendations or certain things might become operationalized or, administratively, what some of the issues or challenges surrounding those recommendations are, and be able to provide to the committee members a practical overview of what considerations are before them and what they will mean to electoral fortunes in the province going forward.

Mr. Lou Rinaldi: Thank you.

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: Thank you very much for the presentation. There were a number of points that really resonated with us as New Democrats, particularly the entire concept of a level playing field going forward, because we have argued for a process that would have looked very different than this.

I'm very happy that you mentioned the Lortie commission because, when you look back, and you see how election financing and electoral reform has happened in the province and in this country—indeed, the Lortie commission reviewed election financing before legislation was before the House. Also, the Camp commission—at the time, the Tories were in government, but the Camp

commission had three members, one from each party. This, of course, looks very different than that. Wouldn't you agree, Mr. Chair?

The Chair (Mr. Grant Crack): Yes.

Ms. Catherine Fife: That's why you're laughing. I thought so.

The Chair (Mr. Grant Crack): No. As a matter of fact, I was just having a conversation with the Clerk.

Ms. Catherine Fife: That was really about equality and consensus and not ramming through changes, especially on something like electoral reform. So your theme of a level playing field resonated with us.

I wanted to touch on a couple of different issues, but I won't dominate because I want to make sure that I hear all the other pieces. One of the issues that we have been raising in the House—and I think you referenced it if you've been following Hansard—is issue-based advocacy on the part of the citizens of the province of Ontario.

On page 22 in particular, you draw attention to the fact that around—and also you called all third parties “political actors,” if you will. Where we have concerns as New Democrats is with the citizens' advocacy group, for instance, who may take issue with the autism strategy of this government, or the cap-and-trade policy going forward. This is all happening within the context, of course, of government advertising, which is ongoing right now and has become very accelerated. Even the Auditor General referenced on the weekend that the latest cap-and-trade commercial—she would have deemed that partisan if the rules had not changed in June 2015.

So this is the context, and we hardly see it as a level playing field, as you can imagine. The government going forward is set to put some very strict limits on the voices of Ontarians and their ability to voice their concerns about any government, really, but in this particular instance it would be a Liberal government. At the same time, on the other side, you have a government that has no threshold and no framework that limits their ability to advertise. We see this as a fundamental issue of fairness, and I wondered if you would comment on that.

You have said in here, which I am very happy to see, Greg, that you're concerned about how “the new definition, coupled with the extended non-election period to which it now applies, could capture advertising activity that was not intended.” That's why I wanted to start off with this question for you.

Mr. Greg Essensa: Thank you for the question, Ms. Fife. The balance that must be maintained is one that is of considerable debate, as I referenced in my speaking remarks. When we were doing research for my speaking remarks, we came across US Supreme Court decisions and we came across the Lortie commission and the Camp commission—any group that has reviewed political campaign finance reform has grappled with this issue.

The quote that I indicated in my speaking remarks from the US Supreme Court is the one that I like the best: “What separates issue advocacy and political advocacy is a line in the sand drawn on a windy day.” It is

extraordinarily difficult, and that is why I have asked for clear definition from this bill as to what my role as Chief Electoral Officer is and how this pertains, because the current definition, as it applies, I see as being extraordinarily difficult to administer as the Chief Electoral Officer leading up to an election because one day that issue may be completely non-partisan, but the next day, it is completely associated with a party or a candidate.

It would be virtually impossible—even the best-intentioned advocacy groups may seek our advice one day, and we might sign off and say, “That is completely fine. Go right ahead.” And a week and a half later, it becomes part of a party’s platform.

1540

Clearly, from my perspective—and that’s why I did come to the recommendation that the definition of political advertising proposed in the bill only apply during the writ period because, under the way it’s currently constructed, it would be virtually impossible for my office to be able to provide succinct, valued opinions, and I’m quite certain that I would be in a constant state of conflict with different groups.

Ms. Catherine Fife: I appreciate you saying that because there will be tension, obviously.

Mr. Greg Essensa: Absolutely.

Ms. Catherine Fife: Your recommendation is that citizens have the right to voice their discontent or their support with a government policy or program right up to the writ period; is that correct?

Mr. Greg Essensa: That would be our recommendation.

Ms. Catherine Fife: Thank you very much.

I’ll leave it off, but I do support your idea of having clause-by-clause be a very open process, because the numbers speak for themselves. We’re going to be able to voice our concerns, travel around the province and listen to Ontarians, but at the end of the day, there is a Liberal majority. So I support your call for an open and transparent clause-by-clause process which does not happen in camera. So thank you for bringing that to our attention.

The Chair (Mr. Grant Crack): Mr. Clark.

Mr. Steve Clark: Thanks, Chair. I just want to go back to a comment that my colleague Mr. Hillier brought up about the complaints that you’ve received at your office. I’m just thinking, going back to some of the past elections—your document shows that in my by-election in 2010 there weren’t any registered third parties although I was nominated once the writ had already been issued. I think I was the last candidate that had been selected by a party. During the election, there had been a number of rumblings about labour being donated to particular campaigns and not—I guess the rules don’t deem them as deemed contributions.

Mr. Greg Essensa: Correct.

Mr. Steve Clark: So I just wondered if that’s a complaint that you would hear during elections and by-elections—the legality of donated labour, for example, to a constituency, or to campaign offices or as part of an unregistered third party.

Mr. Greg Essensa: I can’t say for certain that we don’t have that type of complaint, but it certainly is not as large as the complaint of individuals complaining to us about their third party that is being funded by their representative’s union or whatnot, that they do not agree with. We consistently hear that complaint. That seems to be the greater of the issues that come to my office. An individual might be in some profession where a union is supporting one of the third parties or in fact is a third party themselves, and they don’t support necessarily the direction in which the third party is advertising. We hear extensively about those types of complaints.

Mr. Steve Clark: Your numbers would verify that our province has huge spending on that side, compared to some of the other jurisdictions.

Mr. Greg Essensa: There is no question that we are, I think I can safely say, the largest in the country as far as third-party spending.

Mr. Steve Clark: Go ahead, Randy.

Mr. Randy Hillier: Can I just follow up on this?

The Chair (Mr. Grant Crack): Okay, one follow-up and then we’ll go to Ms. Hoggarth after.

Mr. Randy Hillier: Just for the record, are most of those complaints—what I took from that is that a substantial amount of the complaints would be from union members about their unions contributing money.

Mr. Greg Essensa: I can’t necessarily say that for sure. I would suggest that there is more concern about third-party advertising in this province from an electoral management body, I believe, that we receive, than my counterparts in other jurisdictions receive, but I would not necessarily say that it has been seen—

Mr. Randy Hillier: You haven’t got it broken down statistically, then, what—

Mr. Greg Essensa: No.

Mr. Randy Hillier: Okay.

The Chair (Mr. Grant Crack): Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you very much for your presentation. I found it very interesting and enlightening. You made it very clear that you are non-partisan.

Mr. Greg Essensa: Correct.

Ms. Ann Hoggarth: Obviously, at some points there may be some partisan views around this table. How can we as committee members best get advice from you while still ensuring your neutrality?

Mr. Greg Essensa: I think the opportunity to be part of the committee, to hear the presentations and the deputations, will afford me the opportunity to hear the public debate that is going to go on on this particular bill. Being a member of the committee, I would assume there might be opportunities to have a fulsome, frank discussion like this throughout the course of the deliberations, where I can provide perspective back to you that might be helpful.

I also suggested in my opening comments that at the committee’s indulgence, I likely would like the opportunity to come back at the end of the committee, before you enter into your deliberations on a clause-by-clause basis, to perhaps speak again to you on what I have heard

during the public debate and discourse and potential considerations that you might want to look at before you begin those final deliberations.

Ms. Ann Hoggarth: Thank you very much.

The Chair (Mr. Grant Crack): We'll go to Mr. Hillier, Ms. Fife and then Mr. Colle.

Mr. Randy Hillier: I want to draw your attention, Mr. Essensa, to two elements of the proposed bill, and that's section 21(1) and section 1(1), both to deal with contributions.

If we could, we'll just start with 21(1): If you could elaborate or give me your advice on what 21(1) means. As compared to the existing bill, this allows for trade unions and other organizations to make group contributions, unlike the present bill, which doesn't allow unions to make group contributions. My reading of it is that as long as the group contribution is made and the individual who it's made on behalf of is recorded, that would now be lawful.

Maybe I'll expand on that a wee little bit. My looking on that 21(1) says that if a local union has 100 members, they could donate \$100, \$200 or up to \$1,550 on behalf of each of the individuals within that group—or an unincorporated association. This clause does not apply to corporates. When I look at that one in conjunction with clause 1(1)(b)—again, this is contributions in kind, but as long as the payment is not in excess of their daily rate, then it's not deemed to be a contribution.

If you could maybe give me your understanding of those two clauses and if you think that creates a very significant loophole, or maybe an unintended consequence that committee members aren't aware of.

Mr. Greg Essensa: I'm going to respectfully ask my general counsel, Jonathan Batty, to provide you with guidance on this particular provision.

Mr. Jonathan Batty: When the committee is looking at the first provision in the bill, subsection 1(1) with the change of the definition to "contribution," our understanding of the material change in connection with the definition of "contribution" is that the term "nomination contestant" has been added to the definition, because previously, nomination contestants weren't regulated in this area under the statute. Our understanding is that that's a technical change in order to square up the bill with what we have in the current legislation, but with the extension to the activities of nomination contestants.

In respect of section 21(1), which is regarding group contributions, there is already a provision in the statute with respect to group contributions. Our understanding of this portion of the bill is that with the intent to remove the ability for corporations and unions to be able to contribute, there are a number of ancillary amendments that are required throughout the legislation, including a change to the wording of the group contribution provisions, which, in themselves, are already rather dense in the statute.

1550

Our understanding is that it's not being amended to provide some "out" to allow corporate and union con-

tributions. That's our understanding of the intent here. If, however, in the actual text, that isn't clear or there is room for confusion or it is creating confusion, then that's something that I think the committee needs to take a look at and that we could provide some advice on, on a technical basis, at some later point.

Mr. Randy Hillier: Forgetting what we may think the intent or the objective or whatever is, reading that language—"any contribution to a political party, constituency association, nomination contestant" etc. "made through any trade union, unincorporated association or organization," blah, blah, blah, "shall be recorded by the trade union, unincorporated association or organization as to the individual sources and amounts making up the contribution." So there have been some changes, and some of them may be just technical. Maybe they got it right; maybe they got it wrong. But my reading of that says that, as long as you're an unincorporated association or a trade union or some other organization, you will be able to contribute individually now to any political party, constituency association or nomination contestant and you'll be able to contribute up to \$1,150 for each of the people that you record on.

If that's correct, the way that language is, we'll still have union donations, but just called something different. They're called "group contributions" instead of "union contributions."

Mr. Greg Essensa: Through you, Mr. Chair: We would like to actually take that away, Mr. Hillier, and let us re-examine that. Our understanding, as Mr. Batty indicated, is that the intention was to clean up these provisions. But let us please take that, and we'll come back and respond to that at a later date.

Mr. Randy Hillier: And the last part of that was 1(1). Do you find any inconsistency here with contributions in kind? I know that the statute is much like it is at the present time, with some housekeeping language in there. But at the present time, if an organization pays somebody their daily rate and not in excess of their daily rate and tells them, "Don't bother coming to work today; go and work on Randy Hillier's campaign or Eleanor McMahon's campaign," they're free to do so, and that is not a contribution.

Do you have any comments on that? Do you think that that is really consistent with the intent that has been expressed in the discussions about restoring confidence in our electoral processes and preventing this perception that there may be collusion happening—I think that's the word you used—between third parties and political parties? This appears to me to not address those intents that have been expressed so far.

Mr. Greg Essensa: Again, through you, Mr. Chair, we would like to take that offline, review that and come back to the committee at a later date and provide you a more succinct answer to that, because you have raised a valid consideration for us to look at.

Mr. Randy Hillier: Much appreciated.

The Chair (Mr. Grant Crack): Thank you very much.

Ms. Fife.

Ms. Catherine Fife: I'll look forward to seeing the clarity on that one, because I read it differently. I know that it's part of the act that's being repealed, but I think that it's important to have clarity on it as well.

I wanted to move to the issue of donations and the cap on donations. You have said publicly that the proposed individual contribution limit may not significantly reduce what donors give because most people donate lower amounts anyway, right? But there are people who can donate, still, a \$7,750 amount to have the potential, outsized, for influence. So there's still the ability, in the course of a year, if circumstances arise, that people can donate \$7,750, which is a considerable amount of money.

Noting that most people probably can't give that amount of money, do you think that this is still an amount which could influence politicians and party policy, if you will?

Mr. Greg Essensa: I'm not sure if I can speak to—and I don't believe it's actually my role to speak to—whether it can or cannot influence party policy. What I can tell you is, based on the numbers in the review we've done, about 82% of the contributions from the 2014 general election were for less than the \$1,525. There's a relatively small number, when you actually break it down—when you look at the overall number of contributions that are made, it's a relatively small number that are above that amount.

As I indicated in my speaking remarks, we were pleased to see that it has been substantively reduced, from \$33,250, I believe, down to just over \$7,000. I'm sure there will be presenters that appear before this committee who will give you greater reason or rationale as to if that limit is appropriate or not. I'm certainly not in a position to speak to whether or not that is an appropriate amount to influence policy of the government.

Ms. Catherine Fife: The reason I did ask the question is that \$7,750 is still a considerable amount of money.

This review was sparked because we did find out that there were ministers who had quotas—huge quotas, like \$500,000 quotas. So if the goal of our work is to travel around the province and try to figure out election financing in a fair and balanced way—“balanced” is your language as well—I think it's important for us to acknowledge that money does play a role in elections, especially around the third-party advertising that has happened.

I think I'm going back to the question of process, because in the past, actually since 2002, Greg, your office has been calling for an independent body to review third-party advertising. So we're going to be looking at third-party advertising, as politicians. Some of us have benefited from it; some of us have not. Some of us have been hurt by third-party advertising; some of us have not. Can you tell us why you have been consistent on the need to have an independent body review third-party advertising?

Mr. Greg Essensa: Looking at third-party advertising and political financing as a whole, I have been consistent in my approach. From the moment I was appointed Chief

Electoral Officer in 2009, as I commented, I believed that a review was completely necessary.

I did recommend an independent study in the past, but I think innovation is important, and it doesn't mean that this is the only way that a review can happen. I think innovation is an important aspect. If you look at how this bill has proceeded from first reading to this committee immediately, how the Legislature has asked an independent officer to sit as an adviser, which is a very unique consideration for a bill, and, I think, the fact that there are meetings happening across the province that allow all Ontarians of every political stripe and interest to come forward and provide this committee with salient information that they can deliberate on—I'm quite excited to hear from the experts across the province, to hear their views on the bill and to provide committee members with important information as they begin their important deliberations.

I have said for the longest period of time that I am a firm believer that Ontario political financing rules need to be balanced and need to maintain that level playing field. It is the core principle that guides me as Chief Electoral Officer and guides Elections Ontario. I think it's important for this committee to use it as its guiding principle as well.

1600

Ms. Catherine Fife: Okay. The reason I ask about the importance of independence is that we've been very firm on this, and very vocal, in that it does speak to trust, right? In the end, the result of this committee, hopefully, is that we have a piece of legislation which speaks to the people of this province and indicates that the electoral process will be fair, will be balanced and will not favour one political party at the end of the day.

If you were in charge of this process—which is what we had wanted; I'm sure you know this—when I looked at your role as the adviser to the committee, I see limitations to your office. I see the work that we are doing as, clearly, a key part of your mandate. Do you think that as well?

Mr. Greg Essensa: I think I have an important role to provide to the committee, to provide to the Legislative Assembly, and most importantly, to provide to Ontarians.

Ms. Catherine Fife: Yes.

Mr. Greg Essensa: As I've indicated, my role as Chief Electoral Officer is to ensure that that basic principle of a level playing field is met, and when I don't believe it is, for me to raise my voice and to speak to that.

Ms. Catherine Fife: The reason I raise your role within the context of this committee, though, is that in your opening remarks you have said, “I cannot be asked and will not vote on recommendations or motions. I cannot and will not become the examiner of the committee.... As an adviser, I cannot become a permanent witness,” even though, in my opinion and in our opinion, you are one of the most expert people in the province. So I think that, unfortunately, in my estimation, this committee is limiting your role as an independent officer of the Legislature.

We need to have a purely independent view of third-party advertising, of the limits that citizens can donate to political parties. At the end of the day, for us, process matters, so this is a process question.

Going forward, I share the desire to actually have you come back to the committee and reflect on what we've heard. So I'm hopeful that that is a possibility, and that your hands are not tied by the limitations that are set in your role as an adviser to this committee.

Mr. Greg Essensa: What I would say to that is I will not compromise my role as Chief Electoral Officer. If I believe that the committee has moved down a path that I don't agree with—in either annual reports or any other communication that comes my way through the Legislative Assembly—I will definitely speak out against what I believe is not adhering to a level playing field and is not adhering to first principles to enhance our democratic electoral process here in the province of Ontario. That is my role. As I say, I will not be compromised.

That's why it's important that I, at the outset, establish those parameters. I'm not voting on any motion or recommendation because I may not agree, ultimately, with the decision of the committee. I may have a differing or dissenting view that I wish to voice at some later point.

Ms. Catherine Fife: Two of your key recommendations in your report are very firm.

Mr. Greg Essensa: Yes.

Ms. Catherine Fife: These two major issues are around the contribution limits to be adopted, that Bill 201 does not propose contribution limits to third-party advertisers. That's a major issue. The second one has to do with the limitations potentially placed on citizens going forward, and what constitutes a political issue campaign. Those are the two major ones that I see going forward. Let's hope we can actually get those recommendations forward. Thank you.

The Chair (Mr. Grant Crack): Mr. Colle.

Mr. Mike Colle: I guess I'd like some clarity on that. In hearing your presentation, you specifically asked for some definitions of what your role would be. We're hearing from the third party—she is intimating—that you should have unlimited involvement as to the role that you would have in this process. I'm not sure where you stand on that.

Mr. Greg Essensa: My role has never changed as an independent officer of the Legislature, meaning I report to all of you. My authorities are specifically addressed in my home statutes of the Election Act and the Election Finances Act. Parts of those acts require that I provide to the Legislative Assembly my best advice on how best to enhance the electoral process here in Ontario. And when and if I see issues that are affecting those core principles of our democracy—secrecy of the vote, transparency, integrity, a level playing field—it is my job to comment back to the Legislature or to a legislative committee such as this when I do see issues of concern.

The clarity on definition is pertaining to a very specific provision that's in the current bill that I see as somewhat challenging, but I don't necessarily see that the

clarity of my role is being challenged. I see it very clearly. I am here to provide my best advice to all members of this committee. I am here to hear the public debate that is going to be undertaken. I have requested the opportunity to present to the committee at the conclusion of all of the hearings because I am quite of the belief that there will be some presenters who will bring some interesting and valid considerations for the committee, and I think it would be appropriate for me to provide comment back to the committee before it begins its deliberations.

But I don't see it compromising—and I will not compromise—my role as Chief Electoral Officer in any—

Mr. Mike Colle: So you don't see any restrictions in this set-up that has been established on you exercising your prerogatives as an independent officer of the Legislature?

Mr. Greg Essensa: I was very clear at the outset. That's why I began my comments to this committee that while I was honoured to be asked to sit on this committee, I would only do so under “the following parameters,” which I've outlined in my submission to you. I think that that's important. I want to make sure that all of my commentary to this committee is public and transparent, as it should be. I am here as Chief Electoral Officer, and one of my primary considerations is to make sure that, as our strategic plan indicates, we put the electorate front and centre of all of our considerations. I believe that's my role here, as well: to consider for all Ontarians, and to provide this committee with the best advice in respect of that.

Mr. Mike Colle: I guess I just want to get into another area which is seldom looked at. I've been involved in a few elections, you might say, over the years, and one of the trends that I've noticed which is quite alarming is that it is getting more and more expensive and complicated to run as a candidate in an election, whether it be provincially, federally or otherwise. This expense is driven by the cost of media.

At one time you started off and, when you had a good piece of literature, you went door to door and you were involved in your community—that would be a good base for you to get elected. But I think that has been totally turned upside down because of the nature of society—it's not just the political culture, but the media culture.

For instance, it may be different in other parts of the province, but I know that in Toronto the cost of advertising—how do you, as a candidate, ever get your name out? You can't afford to buy television, radio time or even banner ads on social media. The cost of a postal walk to get to 60,000 doors—you could spend all the money you've ever raised on that alone.

That's the one side of the equation I think we should look at: how we can, as you said very succinctly, have a level playing field for all candidates, so that it can be somewhat affordable to run in a democratic election. It is going totally the other way, and I think that's what's driving all this fundraising madness on the other end, because you know the cost of an election sign. We used

to make our own signs with silk screening at one time, in the garage. Try to do that today. You've got to pay for these Coroplast signs and billboards. I hope the committee would look at addressing the high cost of democracy and running—and it's not only Ontario; it's all across. The cost of getting elected is going through the roof.

1610

Then, the icing on the cake is that when you file your papers, you need a chartered accountant, and they want \$3,000, \$4,000, \$5,000 or \$10,000 to do your book-keeping. And you can't get a certified registered accountant; you can't get a management—no, no, you've got to get a CA. And, then, which CA in their right mind would want to be responsible for a political set of books that have been done on the back of a napkin half the time? So that's another huge cost that's incurred. Then try and rent a campaign office. If you go in there for a two- or three-month campaign office, you're talking \$5,000, \$6,000, \$7,000 or \$10,000 for a campaign period, just for half of it.

So this is one part of the paradigm that we've got to look at because I think it drives a lot of these third parties that become involved: "Well, maybe you could get some help in advertising—get a third party in here." Therefore, I think they're related and we should maybe get your ideas on that and the ideas that would help it going forward.

Mr. Greg Essensa: A couple of comments, Mr. Colle: As I indicated in my submission to you and in my speaking comments, money is needed to run political parties. Money is needed for candidates. Money is needed to ensure that our democratic process and our system, as it is currently constructed, continues to work. That's supported by the quotes from the Camp commission and the Lortie commission that I referenced in my speaking comments.

One of the areas that I think this committee could look at that I did reference in relationship to your concerns was in the area of reimbursements. When the federal government introduced its reforms in 2004 and 2007, it did something that this Bill 201 does not do: It lowered the thresholds under which you could get reimbursements and it increased the amount of what those reimbursements were. The current bill does not do that, and it is something, as I indicated in my speaking comments this morning, that I think this committee should undertake some review of.

The challenge this committee will always have is: What is the appropriate amount of money? I don't discount your comments. Running a campaign in downtown Toronto is extraordinarily expensive compared to running a campaign in Kenora–Rainy River. But they have different issues. I know that you will hear from presenters over the course of the several months over the summer who will provide you with guidance and advice on what those levels should be, but one area that I think this committee could look at, as I indicated, was how the federal government, when they did their reforms in 2004 and 2007, addressed the reimbursement numbers.

Mr. Mike Colle: Thank you.

The Chair (Mr. Grant Crack): Mr. McDonnell.

Mr. Jim McDonnell: Yes, a couple of questions. I've only run in two elections here, 2011 and 2014. In the 2011 election—my spouse is a teacher. She had \$60 taken off her paycheque, as did all teachers. They did receive an individual contribution, but of course it directly went against trying to have a PC member elected. Does this bill capture—in my thought, that would capture it as an individual campaign contribution. It would not show up under your third party. As a union, they were able to do that and target money in whatever direction they wanted. I'm concerned with that, and I read 21(1) and that seems to allow for that type of occurrence to happen. I suggest in that case that was not her wish, but being a teacher in the province, she had no options.

Mr. Greg Essensa: I'm not sure, Mr. McDonnell, I fully understand what the question is.

Mr. Jim McDonnell: I'm just wondering: Does this bill stop that in any way? Because to me, that's an unfair advantage being provided to one party over another, but it would not appear as third-party advertising since individual receipts are issued.

Mr. Greg Essensa: Right. I think what the bill doesn't do in relationship to that, which I have advocated for, is that there's a lack of greater transparency as to who is contributing to third parties. My suggestion and my recommendation to this committee is to consider that, any time a third party in the whole election cycle—so the end of one election to the beginning of the next election cycle—starts running advertisements that depict party leaders or try to influence an Ontarian the next time they arrive at the ballot box, there needs to be greater transparency on that: greater transparency as to who has contributed and how much has been spent. As I indicated in one of my earlier comments to one of the members of the committee, every other political actor is treated that way, in that manner, and I believe third parties should be treated in a similar fashion. That, I think, would capture the concern you raised.

Mr. Jim McDonnell: I have two daughters, plus my wife, and in the last election they received letters—

Ms. Ann Hoggarth: I'm sorry, I can't hear.

Mr. Jim McDonnell: They received letters suggesting that if they would volunteer a day to either the Liberal or NDP they would compensate them for the day's salary. They could take a day off, which would be covered by the province, but they would reimburse that. That, of course, would not appear as an expense on my competitors' sheets. I think that again is another way that we see the third party actually having a large influence, because volunteers are very hard to get, and if you can actually pay their salary and bus them in, it makes a big difference. It doesn't appear on maybe a balance sheet, but time is expensive, and having people going around door to door with flyers, when I look around—I've helped in a couple of my own elections and in by-elections. You might be lucky to have five or six volunteers in an office. When you can bus in 30 or 40 or 100, it makes a big difference.

Mr. Greg Essensa: The issue you raise is very similar to the issue Mr. Hillier raised about section 1(1). That's the area that we've asked to take back and review, and we will come back to this committee with a more fulsome response.

Mr. Jim McDonell: Again, I appreciate the comments made by Mr. Colle when he talked about how expensive it is to run an election. First of all, you have to raise the money, and that's very difficult, plus you have limits.

When I look at the last election, in the riding north of me, literally hundreds—200 or 300 signs being placed by the Working Families Coalition and placed over one or two days. We could never match that. Those are the types of things we see going on.

There's also labour being put into that because when you put up that many signs in one day—and that's just in one riding—obviously that labour has to be somehow accommodated, plus the value of the signs. When you put that many out, they're very well seen. In a large, rural ridings, when you put that many signs out, that dwarfs what we're putting out as a party, certainly the large three-by-five sheets. These are actions we've seen by third-party advertisers.

The Chair (Mr. Grant Crack): Any comment?

Mr. Greg Essensa: As I've indicated, third-party reform is central to this committee, from my perspective. I spoke at length about it in my comments. I am quite interested to see the debate as the proceedings unfold over the course of the summer. But I have commented for many years now that third-party reform needs to happen, and I think this committee has the perfect opportunity to make the reforms necessary.

Mr. Jim McDonell: Just a further comment: In the last election, we probably bought, I'm going to say, 10 or 15 spots on the radio. The third-party advertising literally had hundreds. That's how you blanket. If I had the money, I wouldn't be able to buy the slots anyway because they're taken up. I listen more to the radio than the TV because you're driving. It's just astounding what an impact that has. And you look at one of the by-elections where the third-party advertising dwarfs what the other three parties are doing; it obviously has an impact.

Mr. Greg Essensa: I quite honestly think the numbers speak for themselves.

Mr. Jim McDonell: Yes. Thank you.

The Chair (Mr. Grant Crack): Ms. Hoggarth.

Ms. Ann Hoggarth: I'm sort of back to the same thing that I asked before, but I just want to make it very clear: The opposition is perhaps suggesting that you have a different role in this committee than you have asked to have, and I was wondering: Are you feeling that you did not want to lead the committee on this process, that it would not protect your neutrality?

Mr. Greg Essensa: I think the change in inviting me to be a member of the committee affords me, as I indicated previously—as Chief Electoral Officer, I'm an independent officer. I will not be compromised in my role to provide advice to the committee at certain times.

The ability to come back and present after all of the presentations have been made—I've made that request. I also believe ultimately that as an independent officer I need to remain neutral and I need to remain apart because there might be recommendations in this bill that I still disagree with.

1620

Ms. Ann Hoggarth: So this is the role that you feel most comfortable in?

Mr. Greg Essensa: I think I can provide salient advice and guidance to the committee based on my years of experience, based on what we have seen at Elections Ontario, but I do need to remain neutral and independent from the committee in the end because, as I've said repeatedly, there might be portions of this bill that I still disagree with and may want to comment to the Legislative Assembly about.

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: Just to be clear, it was me who suggested that we would have liked to have had the electoral officer run this process. Also, I did reference the fact that Mr. Essensa had said on several occasions since 2010 that an independent review would be warranted.

Your role within this committee is of great importance to all of us. That's why I asked you, with regard to your two key recommendations: If you were running this committee, would you bring a recommendation forward that did not have proposed contribution limits to third-party advertisers, as Bill 201 currently has?

Mr. Greg Essensa: I think the process needs to unfold: to hear from all of the presenters, and then let the committee come up to its deliberations. I'm not in the business of speculating as to what might have been done. I think what's important for the committee to consider—you are quite correct. I recommended back in 2009 that contribution limits should be considered. I still stand by that recommendation and believe that the committee should take that into account when it's beginning its deliberations on reforms to the bill.

Ms. Catherine Fife: I'd like to go back to third-party advertising. As you know, in budget 2015 there were changes made to the Government Advertising Act. The auditor described the changes as gutting the restrictions on partisan advertising and said it would allow the government to run partisan ads, as we just saw this weekend. Do you think it's fair to restrict third parties without a similar restriction on partisan government ads? This is the pivotal piece for us, and I want to connect it to a decision that was made at the federal level in *Harper v. Canada*. Justice Bastarache said, "Where those having access to the most resources monopolize the election discourse, their opponents will be deprived of a reasonable opportunity to speak and be heard. This unequal dissemination of points of view undermines the voter's ability to be adequately informed of all views."

To that end, in this instance, with the way that Bill 201 is currently crafted around citizen involvement, around being able to voice their opinions, versus a government that has a piece of legislation called the Government

Advertising Act which allows them to be prolific in their advertising and their promotion and sometimes their self-congratulatory messages, how does this find that balance that you are looking for, that you have recommended to this committee that we find going forward?

Mr. Greg Essensa: Thank you for the question.

The quote you referenced was similar to the one that I had in my speaking comments to you.

I think the balance between free speech and electoral equality, which many constitutional experts have grappled with for a long period of time and will continue to do, will be one of the greatest challenges this committee has.

As far as the Government Advertising Act, one of my colleagues is responsible for that, and I am not in a position to comment on the appropriateness of that. She's in a better position to do so.

What I have asked for is a clear understanding of what my role as Chief Electoral Officer will be, because I am concerned, as I indicated in my speaking comments, with the current definition of political advertising. I think that is something that this committee will need to grapple with, and it will be an issue that I will continually raise because, quite honestly, as I've indicated, this is something that will become problematic for us in the 2018 general election if it is not addressed by this committee.

Ms. Catherine Fife: I appreciate that you have referenced that.

You've sort of tied in with my next point, and that was that the BC Court of Appeal ruled in its 2012 reference regarding the BC Election Act, which sought to restrict pre-campaigning, which uses the same definition as Bill 201. It argued that, "The definition of election advertising is overly broad. It captures virtually all political expression regardless of whether such is intended to influence the election...." I think that you're expressing a shared concern around the current definition of political advertising that's currently in Bill 201; is that correct?

Mr. Greg Essensa: That is correct.

Ms. Catherine Fife: Thank you very much.

So you can see, though, why the makeup of this committee, made up of politicians from political parties, trying to figure out the definition—

Interjections.

Ms. Catherine Fife: Well, I put it to the committee: If you don't think that the commercials that ran this week-end on cap-and-trade are political propaganda, then we have a fundamental issue with this committee. We fundamentally do.

Interjections.

Ms. Catherine Fife: The taxpayers of this province should not be paying for a commercial before the plan is even out. They shouldn't be advertising a plan on cap-and-trade that has not been released. That is a fundamental imbalance of power in this democracy. You have an enabling piece of legislation called the Government Advertising Act which permits it. It's a permissive piece of legislation.

This is the problem with this process. This is the problem with the makeup of this committee: that there is a majority of government members who can overrule anything that we say in this committee. That is the furthest thing from an independent review of the Election Finances Act.

The Chair (Mr. Grant Crack): Mr. Hillier.

Mr. Randy Hillier: It's my pleasure. Thank you, Chair, for doing such a great moderating job today.

The Chair (Mr. Grant Crack): I appreciate the support.

Mr. Randy Hillier: I've got another two-part question here for you. You've often mentioned, Greg, that you want to achieve a level and fair playing field. That's an overarching concern that any legislation ought to be. Although I concur that that is a compelling objective, we also want to make sure that we encapsulate that other part that you mentioned in your address, where you mentioned the appearance or the actuality of a wealthy few having undue influence and not being a barrier to democracy for others who are not those wealthy few.

My question to you: When I read this legislation and look at my own experience, this proposed legislation, the way it's written, would have prevented me from running as a candidate for the leadership of the Progressive Conservative Party in 2009—the financial constraints imposed and the restrictions on loans etc. I would not have been able to raise the funds or whatnot. It was fairly significant; I think the entry fee at the time was \$75,000. I required help. Under this bill, I would not have been able to get that help that I did get to enter the race.

We know that this bill has come about because of the allegations and the suspicions of undue influence and collusion between fundraising events with ministers, with people in politics. That has really been the impetus, the motivation for it. Have you seen significant concerns raised in the past about local nominations, local candidates being part of that collusion or part of that suspicion or allegations, or even being a problem that needs to be addressed, first off, I guess?

The second part of the question is, hearing all of your recommendations—and I think there's a lot of value and significant merit to your recommendations—it begs the question: Did the government consult with you in any fashion or in any way before they brought this proposed legislation for first reading?

1630

Mr. Greg Essensa: There was no direct consultation between us—

Mr. Randy Hillier: So it was at the kitchen table on the back of the napkin, from the sound of it.

Mr. Greg Essensa: I would not say that—there was no direct consultation, but there was work between the administrators, Cabinet Office and ourselves. They had some clarification questions that they asked us about, which is the normal practice.

Mr. Randy Hillier: Right. There wasn't a sit-down discussion about what is fundamentally or structurally defective in the existing legislation, that we should be

looking to achieve that fair and balanced playing field without barriers.

Mr. Greg Essensa: There's no question that we did meet with Cabinet Office and we provided some input into areas of concern. But that is the normal practice that has always been in place, where Cabinet Office will often ask us how particular provisions will be operationalized, or administratively, if there are cost implications or issues such as that. But that was the extent of the consultation.

Mr. Randy Hillier: So back to that first part, local candidates and leadership candidates and whatnot, we see this bill expanding its reach and its capture of all these other people involved into this new bill where that hasn't been part of the discussion, at least not here at Queen's Park or in the front pages of the *Toronto Star*, of the need to reform our election finances.

I'll go back to that thought, that statement that I made, that under this bill people with more modest means would be prevented—we would be hampered and obstructed from seeking leadership. Any comments or thoughts about barriers to elected office also being just as necessary to address as making sure that there's a level playing field?

Mr. Greg Essensa: I'm quite honestly not sure I'm in a position to provide comment on that perspective. We have not been involved in local nomination contests. My office has no role whatsoever in local nomination contests; those are between the parties and how the party functions.

Mr. Randy Hillier: Have you been reaching out in these technical discussions, or with cabinet, saying that that is a shortcoming and needs to be addressed?

Mr. Greg Essensa: No. My comments and recommendations were made here today.

Clearly, the bill anticipates greater transparency into nomination contests and leadership contests, requiring now the reporting of contributions and spending limits and such. I think that effectively, though, brings it more in consistency with how the other, as I refer to them, political actors are being dealt with, being candidates, parties and constituency associations.

Mr. Randy Hillier: Is that something that is fairly the norm or outside the norm in other provincial jurisdictions?

Mr. Greg Essensa: I think it aligns us closer to the federal rules. I think it provides greater transparency. I have always been a big believer in the more transparency around electoral events and happenings—whether they be nomination contests, whether they be leadership contests, by-elections, general elections—the greater transparency, the better for all Ontarians.

Mr. Randy Hillier: The transparency, I go for 100%, but we also are putting in financial restrictions, as well as transparency, on, for example, borrowing money from a financial institution. Loan guarantees: I—and many others—would not have been able to get a loan guarantee for what I needed for the leadership contest, because the loan guarantee now is \$1,500. When you've got a

\$75,000 entry fee in a leadership race, a \$1,500 loan guarantee doesn't go very far. So transparency is important—absolutely. We need to know what is going on. But we'd best be careful that we don't put in unintended barriers for people of modest means to be involved in the democratic process and that it's only available for those few wealthy that you talked about earlier.

Mr. Greg Essensa: I completely concur. I think that the areas you referenced are ones that I'll be quite interested to hear the public discourse on. I think that there are opportunities for this committee to consider what they hear during the several weeks of committee hearings, and it may be something that I address in my final submission to this committee.

The Chair (Mr. Grant Crack): Mr. Clark.

Mr. Steve Clark: Before I forget, you made a couple of references to your appearances at the committee and, especially when you mentioned it the second time, it made me think that you don't want to come back to the committee during these first reading hearings. The words you chose made me think that you're not going to come back again until the second reading debate. So I just want to ask you directly: Would you be opposed to coming back to appear at the committee later on in our deliberations, before clause-by-clause discussion?

Mr. Greg Essensa: I would not be opposed to appearing as many times as the committee wishes me to appear. I see my role as being an adviser to the committee. Should the committee wish for me to appear three times, four times, I would not be opposed to that. During the select committee in 2009, I believe I appeared three or four times. My role as Chief Electoral Officer is to provide the greatest advice I can to the members of this committee, and I'd be honoured to do so.

Mr. Steve Clark: That's good.

The member for Kitchener–Waterloo brought up the Auditor General and advertising. I was at that press conference where the Auditor General expressed concern about this government's changes to advertising, which I think most people on this side of the table agree benefit the government. I was surprised that she didn't mention Manitoba. They just had an election in Manitoba, and for the first time they banned government advertising in a 90-day period leading up to the election, with the exception of emergency announcements and employment announcements—tendering. I'd like your comments on that. Particularly, I didn't see any follow-up in the media that there were any issues around the 90-day ban. Obviously, some of us, including me, think the government should go back to the rules for the Auditor General as she used to have them.

This Manitoba issue is very interesting, and I'd love to hear your comments on it.

Mr. Greg Essensa: That question is probably better suited to the Auditor General than it is to me. I am well aware of what happened in Manitoba, but the Government Advertising Act—it is my colleague, and I would not want to speak on behalf of the Auditor General. That is her role to perform as an independent officer. So,

respectfully, I'm not sure I'm the appropriate independent officer to—

Mr. Steve Clark: Have you had any conversations with Elections Manitoba?

Mr. Greg Essensa: Not in respect of that. My office did have conversations in respect of their election, but not in respect of that.

Mr. Steve Clark: Do you know if they had a problem, previously, regarding government advertising?

Mr. Greg Essensa: Not that I'm aware of.

The Chair (Mr. Grant Crack): We shall move to Ms. McMahon.

Ms. Eleanor McMahon: Thank you very much for being here, for your service to our province and for this incredibly thoughtful presentation today. What a home run, in terms of providing us with thoughtful guidance in terms of how we might proceed. I think, without casting it too widely, this is precisely why we asked you to come.

I've enjoyed the conversation from the perspective of colleagues' comments about your role as an independent officer and, if I may—I don't want to miscast it—your reaffirmation of your desire to remain in that capacity and your desire to keep the electorate front and centre, which is laudable. I think we all share that desire.

As someone who has a background in communications and marketing and who worked in advertising for most of my career before I was elected, I find the conversation about advertising really interesting. I would observe that there are many marketing channels and ways in which to influence Ontarians. Those aren't generally just television and radio, but obviously there are several ways to do that. I understand, too, your desire to leave that decision and that conversation in the hands of those who have resident expertise in that regard. That isn't to say that you can't and shouldn't be an observer, an arbiter, in that process, but I hear you saying that that resident expertise may indeed lie outside your purview, which I am inclined to agree with. That's why, again, I look forward to your ongoing comments.

1640

Lastly, I'm looking forward to the comments on the debate, too, in terms of the confidence. I have confidence in this committee to be the ones who are having this conversation. There is significant opportunity for hearings across the province. I know that my colleagues will be doing their job in their ridings, as we are, bringing this opportunity to the attention of stakeholders and enlightening them to the opportunity to appear before you and share their guidance and expertise, as you've done today.

I wonder if I might focus for a minute on something that I'm very interested in, and that is the subsidy issue and the per-vote allowance. Your comments on that were interesting. I wonder if you might take a moment to expand on them, if you could. There is a discussion in the legislation about a per-vote allowance of \$2.26, introduced to help parties transition to the new rules while allowing them to fulfill the roles that they've set out to do. I know that this isn't a new idea. I worked for Prime

Minister Chrétien and I know that he introduced it federally.

I know too that there is a provincial chief electoral officers' conference in July. I wondered if that might be a good opportunity to not talk about this legislation in isolation but to have a conversation with your colleagues in other provinces about what Ontario is trying to do and whether or not that might be a suitable mechanism to tap into their expertise and their thoughts, particularly on this issue, but more broadly, too.

Mr. Greg Essensa: Thank you very much for the comments and for the question at hand. In relation to the latter comment, prior to me appearing here today, we did extensive reaching out. We actually met with Jean-Pierre Kingsley, who was the former Chief Electoral Officer of Elections Canada at the time of the reforms, because I've known Jean-Pierre for a long period and I wanted to hear his perspectives, when the bills were introduced, on what he would have done differently and if there were changes. He provided some exceptional guidance to us. As well, we've reached out to Elections Canada to understand their current issues or challenges with their political financing regime.

With respect to the annual subsidy, from my perspective it was clear, when we did our review of the annual contributions in the last general election, that corporations and trade unions gave a substantial amount of money to all of what I consider the big four political parties here in Ontario. Like they did federally, when they eliminated corporations and unions, they put in place a process—shall we say—to ease the pain, to provide the annual subsidy approach.

What I was looking at was, as I indicated in my commentary, that the current proposed subsidy does not provide a dollar-for-dollar replacement. It appears to me that, based on the numbers, it is not designed to over-enrich the parties as they currently are construed. That was something that was of great interest to me when I was looking at the annual subsidies.

The level playing field aspect I did bring forth, because I do think that this committee needs to not only consider what it does for the larger four parties but that in Ontario we have over 20 political parties, ensuring that, whatever public political financing process we put in place, as the Camp commission indicated and as the Lortie commission indicated, there is equal opportunity for all political parties to have access, in reasonable forms with reasonable standards and thresholds, to that political financing, for the health of our democracy. Having a wide array of political parties with various views on how to govern our great province, I think it is healthy for democracy that they do have access to those funds.

However this committee wants to look at annual subsidies—knock on wood, I think that you will hear quite a bit about political subsidies from various presenters who will make submissions to you over the course of the hearings. I'm quite interested to hear that public debate.

Ms. Eleanor McMahon: As am I. Thank you.

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: It's sort of my last question. According to the way that Bill 201 is currently crafted in regard to advertising, as you read it as it stands right now, would concerned parents be restricted from advertising regarding changes to autism funding prior to an election?

Mr. Greg Essensa: I think that's impossible to say, to be perfectly honest. My office already deals with issue advocacy. Every group that approaches our office—Mr. Batty is my general counsel and reviews their advertisements, to ensure that in fact they do comply with the current law.

Ms. Catherine Fife: So they can, right now, but if Bill 201, which puts limits and restrictions on how much money those parents can spend prior to an election—

Mr. Greg Essensa: Yes, it does.

Ms. Catherine Fife: Yes, it does. That's what I'm getting to. I'm not talking about what the current—I'm talking about Bill 201. Restrictions would be placed on those parents, as it's crafted right now. That's why you've made the recommendation that it be changed.

Would the government face the same limitations?

Mr. Greg Essensa: Based on our reading of the bill, I believe they would be.

Ms. Catherine Fife: So right now, the government, based on the Government Advertising Act, which currently allows them to advertise on any issue—you're saying that they have the same balanced rights as citizens' groups?

Bill 201 puts a restriction of up to \$100,000 a month on advocacy groups, be they environmental or autism or health care, for instance. Those same limitations do not apply to government. Is that correct?

Mr. Greg Essensa: Quite honestly, I think that it's a difficult question to answer, because you're now morphing between what is in Bill 201 and what is in the Government Advertising Act.

Ms. Catherine Fife: The two will be balanced off come election time, right?

Mr. Greg Essensa: I'm not certain that I'm in a position to answer that question directly.

Ms. Catherine Fife: Okay. I will be asking the auditor that same question. Thank you.

Finally, in Bill 201, contributions below \$100 are not considered contributions and are not recorded. How much could be donated by an individual without appearing in any disclosure if they were to contribute to each riding association candidate and party? I'm trying to get at following the money on contributions. It was very surprising for us that \$100 was set as the limit, and anything under \$100 was not considered a contribution.

Mr. Greg Essensa: It would be the same as today.

Ms. Catherine Fife: Yes.

Thank you very much, Chair.

The Chair (Mr. Grant Crack): Ms. Hoggarth.

Ms. Ann Hoggarth: Hi. The feds have been working on election financing changes since the early 2000s, and I think that continues now. Their rules are seen by many as

some of the most stringent rules around, and Bill 201 builds on those federal rules.

I was wondering: Are there any shortcomings in the federal legislation that may be worth examining as we continue to improve upon the drafting of this bill?

Mr. Greg Essensa: We have certainly reviewed the Canada Elections Act and we have spoken to Elections Canada as part of the research that we did internally at Elections Ontario prior to making these submissions.

Certainly, the primary recommendation—it was in my speaking comments—was the third-party advertising between elections, and the fact that it is completely unregulated and there is little transparency. That, to me, is the area of greatest concern that I think this committee could address.

Third parties that take ads a year and a half out before an election that depict a leader or depict a party with a direct intent to influence an elector the next time they appear at a ballot box—I believe that this committee has the opportunity to provide greater transparency to all Ontarians in that regard. That does not happen at the federal level, but I think it's important. If you choose not to put limitations on it, at the very least those entities should be required to file annually with my office how much money they spent and who contributed to that. Greater transparency for all, I think, only enhances our democratic process.

Ms. Ann Hoggarth: Thank you so much.

The Chair (Mr. Grant Crack): Mr. Hillier.

Mr. Randy Hillier: Once again, I want to look at this bill and see what's missing, and if there are some elements, Mr. Essensa, that you can expand on for us.

1650

We know that you were involved in a highly publicized affair that became known as the Sudbury bribery scandal. You did your examination. You did your investigation. You have significant authorities for examination and investigation under the present acts. I don't think there has been any alteration to your authorities and powers to examine and investigate. But, in addition to our legislation, we also rely on conventions to achieve the ends that we want to achieve, and there is good reason for both conventions and legislation.

During that Sudbury bribery scandal, you made your evaluation known—the results of your examination and investigation—then it was turned over to the Attorney General, and it went to the OPP. Historically, we've seen that when there is an investigation, we never put the person doing the investigation in a position of conflict, and in many cases such as this, it would have been turned over to an outside police force, such as the RCMP, that is not under the authority of the Ontario government.

My question is this: Do you think there is a need in this legislation, or that we make provisions that further investigations or charges be done by an independent crown or investigations by other police services so it doesn't undermine public confidence? I think we could all agree that there was a level of confidence that was undermined, and continues to be, by having an arm of the

provincial government investigating the leadership of the provincial government—just your thoughts on that. And would you have been averse had the Attorney General recommended that the RCMP and an independent crown do the follow-up investigation from yours?

Mr. Greg Essensa: Mr. Hillier, with the greatest respect, I'm here to appear before this committee on Bill 201.

Mr. Randy Hillier: Yes. I'm wondering: Should this be included; should we encapsulate something like that to restore and build on public confidence?

Mr. Greg Essensa: Based on the powers that have been afforded to me in the Election Act and the Election Finances Act, and demonstrated by the investigation into the Sudbury issue, I have all the authorities that I need to conduct my investigation, and we were able to do so in a fairly timely manner. I have completed my role, as my role pertains to—

Mr. Randy Hillier: Yes. Hopefully you understand where I'm going here. I'm not being critical of—

Mr. Greg Essensa: I completely understand. I don't envision that this bill in any way changes the authorities that I need and that I have. It does not eliminate or reduce any of those.

Mr. Randy Hillier: You wouldn't want to see an independent process?

Mr. Greg Essensa: That's inappropriate for me to comment on. My role ends once I turn over my findings to the Attorney General. Then it becomes part of the broader government.

Mr. Randy Hillier: I guess you've given me a lot of recommendations about how you would see Bill 201—your thoughts, your views, your evaluation of Bill 201 in the form of recommendations and thoughts. As far as those other parts—that openness, that transparency, that level playing field—I'm surprised that you are hesitant to want to also discuss the powers of enforcement contained in the bill as well.

Mr. Greg Essensa: The powers of enforcement are quite substantive. As I indicated at the opening of my comments, one of the things the committee may wish to consider, in respect of that, is the ability to levy administrative penalties; it is allowed at the federal level. Many of the challenges we have are relatively minor in scope, and the ability to levy administrative penalties is an area that might be of consideration for the committee.

Mr. Randy Hillier: Maybe I'll let my colleague from Leeds–Grenville expand on the administrative monetary penalties. The general view of administrative monetary penalties is—it's a technical violation. The proper i's were not dotted; the proper t's were not stroked. But the offences are not of that nature. I certainly would not want to see offences changed over to administrative monetary penalties, but I'll leave that for my colleague from Leeds–Grenville maybe to expand on.

I'll just finish off: Would you be averse to or would you object to greater clarity in Bill 201 that independence of prosecution and independence of laying of charges need to be strengthened?

Mr. Greg Essensa: I think what is before this committee is the first opportunity in well over 34 years to really look at the fulsome aspect of political financing here in Ontario. From a regulatory perspective and an enforcement perspective, that's certainly within the bounds and means of this committee to consider.

In my experience in my eight years as Chief Electoral Officer, I have found there are considerable authorities granted to me to pursue investigations, to compel witness testimony, to compel information. There are some areas pertaining to administrative penalties that I think are within consideration, but it does not prevent the committee from looking further at other vehicles or means for enforcement.

Mr. Randy Hillier: But you don't want to be a subject-matter expert on those and provide your own recommendations—

Mr. Greg Essensa: Any aspect of my home statutes, the Election Act or the Election Finances Act, I'm intimately familiar with and I'm more than happy to provide perspective and advice to this committee on.

Mr. Randy Hillier: Well, obviously not. I've just asked you for your advice on enforcement and powers—

Mr. Greg Essensa: I think as I indicated, outside of the administrative penalties aspect, I have a considerable amount of authority.

Mr. Randy Hillier: But on the question that I asked, you chose not to provide any advice or guidance.

Mr. Lou Rinaldi: He doesn't need any. He did.

Mr. Randy Hillier: Lou, no—

Ms. Eleanor McMahon: Mr. Chair, a point of order.

The Chair (Mr. Grant Crack): Point of order, Ms. McMahon.

Ms. Eleanor McMahon: I'm not sure where this is taking us but I feel like this is a little bit of duress and this is a bit discourteous to our witness, so I would ask the member opposite to just—

Mr. Steve Clark: It's certainly uncomfortable—

Ms. Eleanor McMahon: I know you're making observations, but we're making him feel uncomfortable and I think that's unfair.

Interjection.

Ms. Eleanor McMahon: That is not a partisan comment; that is a just comment. I'm speaking out for him, and that's my intervention.

The Chair (Mr. Grant Crack): Thank you, Ms. McMahon.

Interjection.

The Chair (Mr. Grant Crack): If I could rule, Mr. Hillier, on the point of order, I'd appreciate that. It is not a point of order but thank you for your comments. I would just ask Mr. Hillier to continue his line of questioning with regard to Bill 201.

Mr. Randy Hillier: In the standing orders, there is—anyway, let's get back to this.

You're here, and we're looking for advice and guidance. I've asked if you have any specific advice or guidance to a statement that as a result of an experience that we've all seen—and it's not just that one experience.

That's just used as an illustration. Public confidence—you've said it yourself—it's important that it is not undermined. We saw some examples where public confidence was undermined, and you and your office said you saw or believed that there had been a violation of the Election Act.

In the case that I'm referring to, the breakdown in public confidence was not the result of your investigation; it was the subsequent actions to your investigation. That's where I see a fault in Bill 201. It's not addressing—your investigation was turned over. The government had another level, another branch, of government investigate itself.

1700

Do you not believe, and is it not important for this committee to know your beliefs, your recommendations on how to reaffirm public confidence that that doesn't happen again, and that some mechanism be included that when the government itself is being investigated, it be turned over to an independent, impartial prosecution and further examination after you've done your own?

I think that's a fair request. It's important for us, as committee members, to know more about your own experiences—you saw what went on; you made your findings—and also just the lengthy delay in moving it forward. I take you at your word; I take everybody at their word that we don't want to undermine public confidence. We want to restore it, improve it and promote it. I'm still not accepting that you're not willing to share your ideas for improvements, or maybe just state that no improvements are required and everything is just fine.

Mr. Greg Essensa: A couple of things, Mr. Hillier. I actually believe the Sudbury investigation enhanced public confidence in Elections Ontario, based on the amount of correspondence and feedback I did receive.

Mr. Randy Hillier: I agree.

Mr. Greg Essensa: So I don't feel there is a lack of public confidence.

Mr. Randy Hillier: I was talking in a broader—in government, not in your office, for clarity.

Mr. Greg Essensa: I would remind you that there is still an ongoing, live investigation, and it would be inappropriate for me to comment on that ongoing investigation, not to say that your question pertains to Bill 201. As I earlier indicated, the bill does not take away or detract from any of the powers and authorities I currently have. As demonstrated by the Sudbury investigation, I think those powers and authorities allowed us to get to the heart of the issue and report a fulsome report to the Legislative Assembly within two months. Nothing has come in front of me since that time that would indicate that I would be considering recommending different powers and authorities from this committee in respect to Bill 201.

Mr. Randy Hillier: Thanks.

The Chair (Mr. Grant Crack): Mr. McDonell.

Mr. Jim McDonell: A couple of things, and maybe just a little comment in line with Mr. Hillier's comments—not to do with Sudbury but to talk about public

confidence in the Ornge air ambulance investigation, which was turned over to the OPP as well; some concern there as to some of the time frames.

We called one of the witnesses back before us after a year and a quarter, and the district commissioner was asked by Frank Klees if he had a chance to contact our major witness. His answer was no, and his comment was, "Well, after a year and a quarter what are you doing?" I followed up through somebody I knew who was talking about the issue, and he knew the person personally and he asked him, and the comment from the commissioner was, "You wouldn't believe how they've got our hands tied up. We can't do anything."

It really makes you wonder, especially when you've got five investigations held, how nothing has happened on any of them. I appreciate how far you can go, and all you can do is turn it over, but that's the reality. I think that public awareness of what is happening, after five years—it's almost five years now, and there's been no action and no resolution, charges or anything. It's just continuing. People are really wondering about just what is happening, and is the OPP the right force to be able to talk? Should it have been put to a different level, especially with some of the comments about payments being made outside the country so it is outside their jurisdiction and—

The Chair (Mr. Grant Crack): Mr. McDonell, sorry to interrupt, but we are dealing here with the Chief Electoral Officer and Bill 201. I would like to remind all members that we should stay focused on the election financing reform that's before us. I would recommend that you continue your line of questioning with reference to Bill 201, please.

Mr. Jim McDonell: Okay, Chair.

There was a comment made here about the bill being done at the federal level and how this one does so much more to enhance it. I'm just wondering: In your opinion, does this bill approach the same level of tightness or level of scrutiny that the federal legislation does, or are there places that maybe it has gone overboard and we need to do less or areas that need to be tightened up that we haven't addressed? Any comment on that?

Mr. Greg Essensa: I think, as I indicated in my comments, a lot of the current Bill 201 does take a lot of the provisions from the Canada Elections Act, certainly pertaining to the elimination of contributions from corporations and unions. There's a similar model on an annual subsidy. There are some other elements of the bill pertaining to loans and loan guarantees that are fairly similar to the Canada Elections Act.

What I also indicated, though, in my speaking comments is that many of those provisions were built back in 2004 and 2007 and have been enhanced over time. I don't believe that Ontarians simply believe there should be congruence between the federal and provincial statutes. I think there is an opportunity for this committee, as I indicated, to build on this bill, to hear from the presenters that you're going to hear over the course of this week and over the several weeks of the summer.

There are differences in the bill. I've highlighted areas that I think this committee could take for consideration. Back to Mr. Colle's comments about funding of elections: increasing the reimbursement ratio. The federal bill certainly has substantively more it gives back to candidates and parties than our current provincial bill and the current Bill 201 does.

I think there are several areas that I highlighted in my commentary and in my submission to you that this committee could undertake to review and consider to enhance the bill and to improve upon what is currently in the Canada Elections Act.

Mr. Jim McDonell: Just again, a little further to another aspect: I know you don't want to comment on some of the concerns from the Auditor General or the chief financial officer about some of their requirements, but I see it has been brought up a number of times in committee about the advertising done by the government, now or pre-writ. I guess in your opinion that is a dangerous issue and something that—you're spending essentially unlimited taxpayer dollars, and it has the ability to be partisan. Is there a need to have an independent officer to review that or at least have some control over the content of the advertising and whether it's in the best interests of the taxpayer?

Mr. Greg Essensa: As I indicated to earlier questions in this regard, the overseer of the Government Advertising Act is a colleague of mine and the Auditor General. She would be best positioned to answer that question, and I would not want to speak on her behalf.

I have sought and asked for clarity around the political advertising component and the definition here in this bill because, as I indicated in my speaking commentary, I do find it a little problematic. I'm hoping that ultimately, whenever revisions are made to the bill, that will be addressed.

Mr. Jim McDonell: Thank you.

The Chair (Mr. Grant Crack): Mr. Clark?

Mr. Steve Clark: On page 4 of your presentation to us, the fourth paragraph, you said, "I believe that the Canada Elections Act includes many provisions that would be good to adopt in Ontario. For example, I have recommended for several years that administrative penalties, similar to some of the compliance provisions in the federal law, should be adopted in Ontario." Will you outline what you believe should be adopted in Ontario?

Mr. Greg Essensa: Sure. I do believe that many of the compliance issues that we deal with at Elections Ontario are of a technical and lower-tier operational level than warrant recommending to the Attorney General that they, in fact, should be prosecuted. The Canada Elections Act, at the federal level, has administrative penalties, and they are able to apply those. I have recommended for years that, in the rewriting of our bill, we consider administrative penalties to address those. They can be as minor as individuals and/or parties not filing annual returns. They may be consistently late in filing those returns. The amount of effort and work on Elections Ontario's behalf is substantive, and I do believe, in our

discussions with Elections Canada and the commissioner, that there is the ability to provide administrative penalties as a deterrent to many of what I would call minor compliance issues.

1710

Mr. Steve Clark: So in terms of third-party advertising, for an example, we've got a municipal bill that provides a penalty that you can't participate in the following municipal election. That's one that has consistently been in place by this government. So, drawing the line from their municipal legislation to this provincial legislation, would you feel that it would be appropriate to mirror that legislation? If there was a third party that broke the advertising laws, should they not be barred from participating in the next election?

Mr. Greg Essensa: I think it's certainly within the realm of possibility for the committee to consider such an amendment. Yes.

Mr. Steve Clark: The government has that as a municipal law right now. Right now, for example, if we filed late on our financials for an election, we'd just call the—my understanding is, and you can verify this, we'd just contact your office and say, "We'd like an extension," and you have to give it by the act. Is that correct?

Mr. Greg Essensa: This is where the act is grey. As a matter of practice, we give you that extension. But this is where administrative penalties, I would suggest, are a more appropriate means to those compliance issues.

Mr. Steve Clark: Yes, and your discussion with your office is very casual, from my understanding. You'll make inquiries with riding associations and the riding association might not hear back from your people for months. So they might be in compliance, or they might not be, right? That's what I've been told in the past, that—

Mr. Greg Essensa: There is ongoing dialogue—

Mr. Steve Clark: —you don't see the letter that says, "These are the discrepancies that we find in your statement, and we would like them cleared up by a certain date." My understanding is that doesn't happen right now.

Mr. Greg Essensa: I would—

Mr. Steve Clark: It's pretty casual.

Mr. Greg Essensa: I think the approach is that we attempt to make sure that people get themselves into compliance, so there is constant communication.

Sometimes it's not as simplistic as that. We often have to track down CFOs. A member like yourself who is an elected member of the Legislative Assembly: It's fairly easy for us to get in contact with your CFO and track that person down. A candidate who lost: It's difficult enough to find the candidate, let alone their CFO. It becomes more problematic and more—

Mr. Steve Clark: I understand. You've got lots of candidates, and you've got a challenge with 107 ridings. I understand that.

Will you at some point provide the committee with the provisions of the Canada Elections Act that you favour should be included in this bill?

Mr. Greg Essensa: We can certainly look to do that in our second submission at the end of the public consultations. We'd be happy to.

Mr. Steve Clark: Going back to my other question: If a third party doesn't adhere to your laws for advertising, you would support them not being able to participate in a following election.

Mr. Greg Essensa: I think that is certainly on the table for this committee to consider.

Mr. Steve Clark: Thank you.

The Chair (Mr. Grant Crack): Ms. Fife?

Ms. Catherine Fife: I just want to go back to contribution limits for a moment. The new donation cap is \$7,750 in an election year, with \$6,200 of that going to candidates and constituency associations and nomination campaigns. How much of the \$7,750 contribution would appear in the real-time disclosure? My understanding is that it would be \$1,550, so only the contribution to the central party. If not, can you clarify, because this is of concern to us.

Mr. Greg Essensa: Ms. Fife, that's a very technical question. I would respectfully ask the ability for us to go back and look at that. I don't want to give you exact, because we've not examined that level of technical detail.

Ms. Catherine Fife: I would appreciate some clarification—

Mr. Greg Essensa: No problem.

Ms. Catherine Fife: —because this is one of the pieces around real disclosure that actually is a strength that Ontario has, right?

Mr. Greg Essensa: Yes.

Ms. Catherine Fife: If you're going to take this question back, I just would add to it: What do you think of the argument that this means the majority of a maximum contribution would not be included in real-time disclosure? Because this is a concerning practice that would happen. If the entire \$7,750 is not disclosed in real time, then it becomes very difficult for us to track who is donating where. I think that speaking to the importance of real disclosure from an accountability perspective would be of value to the committee.

Thank you.

Mr. Greg Essensa: Thank you.

The Chair (Mr. Grant Crack): We shall move to Mr. Rinaldi.

Mr. Lou Rinaldi: First of all, I must say again how much we appreciate having you here as an adviser. For a committee such as this, and the way it's structured—although it's not our normal committee structuring process—I think, on a personal level, it's a real asset to us to have that. Even what you demonstrate today, that knowledge, it's something that would take us a lot—so we really, really appreciate it.

You indicated to the member from the opposition about the investigative process if something should go astray, and referred to Sudbury. I don't want to talk about Sudbury, because it is still not resolved. It's a legal process, and I think it's not appropriate to talk here.

But would you, just for our committee—although I'm not sure it's in the bill; I haven't seen it there. I think you indicated you feel fairly strongly that you have the tools to deal with investigating something. Is there anything else on that piece that you can elaborate on, to reassure us that if something happens somewhere—and it has happened—that both from an elected member and party perspective—and I'm sure that after an election—I know that in my 2007 election, there were a whole number of complaints dealing with some issues and they were resolved, thanks to your office. Should any of that stuff be included in this bill that's not here? I guess I want reaffirmation that you're happy with the tools you have.

Mr. Greg Essensa: Thank you for the question, Mr. Rinaldi. I think it depends on the level of the investigation. Certainly, I have broad powers. I have the ability to compel testimony. I have the ability to compel information from a wide variety of sources. I have the same abilities as a public inquiries commission to compel testimony and information at whatever source I deem necessary.

As I indicated to Mr. Clark and Mr. Hillier, the area that certainly could be of consideration is the area of administrative penalties, to deal with the more technical challenges that candidates, parties and constituency associations sometimes find themselves in. But I would not, at this point, be considering recommending wholesale changes to the authorities that I currently have.

Mr. Lou Rinaldi: I'm not sure if you can answer my last question. I guess we have to deal with Sudbury to a certain extent, but not in detail. Do you feel confident that after you did your work—and I believe that whatever the outcome of your research was, it was satisfactory, and you turned it over to the OPP. Do you feel that the OPP, with the information that you gave them, are competent to come to a resolution somewhere down the road, or do we need some other outside agency to deal with this?

I'm not sure if you want to answer that.

Mr. Greg Essensa: I will answer it this way: There are differing models, and there's no question. You only have to look at the federal model to understand that they have a separate election commissioner who is solely responsible for investigations and prosecutions.

There are different models. This model is fairly consistent across the country, though. But certainly, it would be within the purview of the committee to look at different models if they so deemed it necessary.

Mr. Lou Rinaldi: Thank you.

The Chair (Mr. Grant Crack): Back to Mr. Hillier.

Mr. Randy Hillier: Thank you once again. Final questions, I think, for myself for today—

Mr. Lou Rinaldi: Oh, no.

Mr. Randy Hillier: But I might come up with some more.

Mr. Lou Rinaldi: You might.

1720

Mr. Randy Hillier: Listen, Mr. Essensa, reading this legislation, I see another place where a truck drove through it, and I want to see if you can comment on it.

That is under section 37. This is under third-party advertising, third-party contributions. Keeping in mind our group contributions that we talked about earlier, under 37.4, contributions of \$100 or more have to be recorded and identified: who they are from, with name, address, date, amount etc.

Here's what I see potentially happening with Bill 201 the way it's presently constructed: Any third-party advertiser, any third party engaged in this, can—and let's just use for an example my past Local 586 that I was a member of with the International Brotherhood of Electrical Workers. There are many locals across the province. It appears to me that they could deem a contribution of \$99 for every member into a third-party advertising fund, as long as it didn't exceed the expenditures that you're talking about, and every other union local could do the same or even create new unincorporated associations with those deemed contributions. As long as they keep it under that \$99 level each, there would be no openness; there would be no transparency; there would be no accountability. It could be no changes at all in the outcomes or maybe even worse than what we're seeing these days.

Maybe you could comment on section 37.

Mr. Greg Essensa: I guess my comment, Mr. Hillier, is that that's the same rule that applies today.

Mr. Randy Hillier: Yes, but we're trying to tighten things up, I think.

Mr. Greg Essensa: That's certainly within the purview of the committee, if it was considering looking at a lower threshold than \$100. I will be quite interested to see, over the course of the coming weeks, what the academic community and other presenters have to say in respect of that. But that is exactly the same provision that we have today.

Mr. Randy Hillier: Other than the fact, when you look back at the group contributions that we talked about earlier, that we now have included trade unions in that group contribution, which are not present in the present bill.

Mr. Greg Essensa: You are correct in that regard. You have to take into account, though, that spending limits still do apply. An ability to, as you indicate, amass all of that money with the appropriate spending limits doesn't distort the level playing field, is my point.

Mr. Randy Hillier: You have multiple union locals, for example—and there are many unions with many locals with many members who can be engaged in many different issues within an election. As long as they're segmented, then the spending limits apply to each one of them. So you could have, in the aggregate, a very significant third-party advertising effect.

Mr. Greg Essensa: You could, and I think that is something the committee will have to grapple with. As I indicated in my comments, the balance between freedom of expression, free speech, and your ability to put normative standards on top of that or restrictions on top of that is something that every constitutional scholar has grappled with forever. This will be an issue for this com-

mittee as well. I am not disputing what you are saying. It is something—

Mr. Randy Hillier: No, and absolutely, I—you won't find a bigger defender for free speech. But if we're going to start putting limitations on third-party advertising, and that's what this bill is proposing to do, then we want it to be a level playing field—I think we've used that term—and we want to promote public confidence, not undermine it. I see this third-party advertising component of this bill, in conjunction with the group contributions, as a big truck driving through that intention. Deem a contribution from every member in your union local at \$99—you don't even have to include their name or anything, so nobody will actually know—and take the money down to the Toronto Star or the National Post or CFRB and buy yourself a pile of advertising. And here we all are thinking that we've got some control and some openness and some transparency, and in effect we have nothing.

Mr. Greg Essensa: I would answer that, Mr. Hillier, with the comment I made earlier: We would like the opportunity to go back and review that group contribution to fully have an appreciation and before I would give you a direct comment on the assertions that you've just made.

Mr. Randy Hillier: Okay. The last one—and then I'll let you be—is that the bill doesn't address allowable expenses. I know you mentioned that. Our allowable expenses provincially are quite disproportionate and different than federal allowable expenses. However, we've gone to a subsidy. I guess, maybe, just if you could—do you see any advantages or disadvantages in either way of—federally they've gone without the subsidy but with better allowable expenses. This legislation is proposing 180 degrees different from that: vote subsidies, but not improving the allowable expenses. Any comment on one way being a more effective, more balanced or more level playing field?

Mr. Greg Essensa: I think you will hear from presenters in the coming weeks on what is a better model per se. I think this committee has to grapple with both the provision of an annual subsidy and/or how it wishes to deal with the reimbursements.

As I indicated, when the federal government made their reforms, they both lowered the thresholds for reimbursements and they increased the amounts of reimbursements. This bill does not do that, and it's something I have suggested that this committee may wish to examine as part of its deliberations.

Mr. Randy Hillier: Much appreciated.

Mr. Greg Essensa: Thank you.

The Chair (Mr. Grant Crack): Mr. Colle.

Mr. Mike Colle: Yes, thank you, Mr. Essensa. I have three or four questions, but quickly, how can you or anyone monitor a company that has, let's say, 1,000 employees? There is the limit, and through the grapevine the CEO of the company says, "Hey, we're supporting this party. We expect everybody to donate to this party. It's good for the company. I think it's the right choice, so we expect everybody to do the honourable thing here." How do you stop that type of thing?

Mr. Greg Essensa: As I indicated in my commentary, certainly our compliance division, based on looking at elimination of corporate and union donations, will have to come up with some strategies for us best to examine such issues. I think in the coming days you will hear from witnesses who will address this very issue in front of you with suggestions that—things I’ve read about and heard of that they may request that you consider amending the bill, that anyone who makes a contribution has to also provide who their employer is. On issues such as that, I think that you will hear in the coming days from presenters who will look at—

Mr. Mike Colle: That would be helpful. Do you think we need, as part of this change, if this goes forward, an education outreach type campaign so that the general public and interested people are aware of the changes? Because they’re going to be quite intricate and complex. Do you think that is going to be needed?

1730

Mr. Greg Essensa: There’s no question that Elections Ontario will, as part of our advertising and promotion of the 2018 general election, be invoking these changes. We’ll be providing information through our website; we’ll be providing it through our outreach groups. We’ll also be providing it to third parties and, through our political advisory committee, to all the political parties in Ontario to make sure that they have a full understanding. We will be issuing guidelines and commentary that will be available from my office on what these changes entail, how they will be implemented and what the administrative considerations need to be as we move forward to 2018, but yes, I would suggest that, depending on the breadth of scope of the changes that this committee ultimately recommends and the assembly passes, there would need to be a considerable amount of outreach.

Having said that, the media is certainly very much covering this issue; it’s a very live issue to the media. I think that there will be a substantive amount of coverage from the media as this bill progresses its way through the House.

Mr. Mike Colle: I guess there will be. The only thing I’m concerned about is that a lot of this is inside baseball. The average person doesn’t have the time to follow the details, so I think we have to go beyond our normal ways of reaching out, given these changes could be quite substantive, from the past. As you said, it has been over 40 years since we made—so I think it would be helpful to get information out to ordinary voters.

The other question I had is in terms of defining a third party, a definition. We’re obviously into a whole new realm here of political definitions and activism. We no longer have the old static approach to political involvement. We’ve got all these digital platforms now. We have people who can do all kinds of social media engineering. They post blogs under the names of journalism and information. Have you given any thought, or should we be pursuing that type of definition with regard to the new politics that are out there, in defining “third party” and what it really is?

I could set up a blog. I’m a third party that has been involved in elections in Ontario, and I say, “Listen: Now I’m just a blog. We’ve set up a blog and we are going to get our message out on social media—banners, everything. We’re going to do all kinds of”—what do you call it when you play around with the hits on social media? Basically, they know what you eat, what you drink, where you shop, how you get to work and everything—the metrics of it. Maybe the committee should look at getting an expert to come and talk about this whole new realm of politics and digital media, and how we might be able to look at that to prevent a new form of third-party encroachment that is really unknown to us right now but is out there in social marketing.

Mr. Greg Essensa: I have advocated for many years that one of the challenges with the Election Finances Act is that it has not kept pace with societal and technological changes. As I indicated in my comments to you earlier, even issues such as the Internet and websites are very loosely defined. I think and I hope that you will hear presenters throughout the course of the deliberations that you’re about to undertake and hear from the general public—there will be a number of people who will approach you to talk about what exactly should be defined and regulated in the Ontario election finances reform act.

The challenge is that with the pace of change of technology we have seen, the ability for the legislation to keep pace has certainly lagged for many, many years. I’ll be quite interested to see what the level of discourse is. It is certainly something that I intend to bring back towards the end of my second round of presentation to you.

Mr. Mike Colle: One final question: One irritant that has been around for years is that you’ll have either third parties or you’ll have your political opponent. What they’ll do is they’ll put out advertising; usually it’s print advertising. As you know, we’re supposed to note that this is authorized by the CFO of the persons putting out—I don’t know if third parties are mandated to do that or not. If they put out print literature or signage, are they mandated to indicate that they have paid for this ad? It’s interesting.

Mr. Greg Essensa: On political advertising, yes. They are required to put out “Authorized by” whichever third party has authorized that expenditure.

Mr. Mike Colle: Even on printed material?

Mr. Greg Essensa: Yes.

Mr. Mike Colle: Because what I find happens is that they’ll comply with the so-called rule by stating it, but it will be microscopic in size. You can’t see it with a magnifying glass: “Paid by the CFO of this organization or this party.”

I think that we have to somehow find a way of stopping that kind of gaming that takes place with the rules. If literature is put out by a party, they’re going to have to indicate in a reasonable way that they’ve paid for it and they’ve printed it, rather than hiding behind the letter, or the small letter of the law, I should say.

Mr. Greg Essensa: Again, it certainly would be open to this committee to consider alterations to the finance

reform act that would address those concerns, absolutely. I suspect you will hear a considerable amount about third-party advertising and that vernacular throughout the course of the presentations before you.

Mr. Mike Colle: Thank you.

The Chair (Mr. Grant Crack): Ms. Hoggarth.

Ms. Ann Hoggarth: Bill 201 seeks to implement donation limits of \$1,550 to a candidate and a maximum of \$3,100 to a party's candidates. The current proposal sets the donation limit for independent candidates at \$1,550. Should the proposed limit for independent candidates match the amounts for the candidates of a party—in other words, \$1,550 for a candidate and a maximum of \$3,100 to all independent candidates?

Mr. Greg Essensa: I've always believed that consistency of practice amongst all political actors, as I have referred to them, is a benefit. It makes the dissemination of information and the dissemination of rules far easier for those involved to understand, to implement and to practise. It's not something that I've addressed as a concern from my perspective.

Mr. Randy Hillier: I agree with that.

Ms. Ann Hoggarth: I know, because you almost had to be one.

The Chair (Mr. Grant Crack): Ms. Malhi.

Ms. Harinder Malhi: The proposals of Bill 201 seek to limit the amount political parties can spend on advertising in the six months prior to the general election to \$1 million. How does Elections Ontario plan on implementing that? Is there going to be some sort of new reporting mechanism before election day?

Mr. Greg Essensa: Again, that's the devil in the details as to how that would be reported, whether that would be reported post-event.

The issue that I raised that is of concern to me is that that provision takes effect in a regularly scheduled general election. Where I have concern is when we have a non-fixed-date election, because that becomes fairly challenging. But in answer to your question, that's the detailed aspect of when that gets reported. Does it get reported after the election or during the annual election filing period? Are there special provisions that the political parties have to provide before the writ period? Again, I'm not certain at this point.

Ms. Harinder Malhi: Okay. Thank you.

The Chair (Mr. Grant Crack): Further discussion? Any further questions? Ms. Fife.

Ms. Catherine Fife: Not for the presenter; just a point of clarity: I asked a question around real-time disclosure earlier of the independent officer. How will this be communicated back to the committee?

The Chair (Mr. Grant Crack): That's not a question for me.

1740

Ms. Catherine Fife: I asked a question and they weren't able to answer, so I'm just wondering how an answer will be communicated to the entire committee, not just to me.

The Chair (Mr. Grant Crack): Any questions that aren't dealt with, in part or in their entirety, can be forwarded to the Clerk's office and then distributed for a response. Then, of course—

Mr. Mike Colle: I'd really like a hard copy, not just electronic.

Mr. Steve Clark: Just put it on the blog.

The Chair (Mr. Grant Crack): Mr. Hillier.

Mr. Randy Hillier: Maybe I'll just expand on that. We did speak about those group contributions in sections 26 and section 1. Would you be able to provide those? You were going to look into that. I don't want to put words in your mouth or anything, but I believe that was the—

Mr. Greg Essensa: To be helpful to the committee and to the Chair: Perhaps if the questions were directed to the Chair in writing, we could respond back in writing and those could be distributed to the committee members at the appropriate time.

Mr. Randy Hillier: Okay.

The Chair (Mr. Grant Crack): That would be the appropriate manner. Whatever questions you have will go through the Clerk to the Chief Electoral Officer and his office.

Mr. Randy Hillier: So I'll turn my attention to the Clerk now. Do you have that information that was requested regarding group contributions and an explanation of whether or not the group contributions—how it would be implemented? Would a union or trade organization be able to deem donations and/or contributions on behalf of that organization, and would it apply to trade unions?

The Chair (Mr. Grant Crack): Would you like to respond to that?

Interjection.

The Chair (Mr. Grant Crack): Please just put all questions in writing so that we have the exact details, and then maybe make the official request.

Ms. Fife?

Ms. Catherine Fife: I don't think we should have to put them in writing. We've asked questions. They're part of the Hansard. At this point, the officer hasn't been able—they have expressed an interest in getting back to us. I think that there's a process in place that it just goes through the Clerk's office, but we shouldn't have to rewrite the question out.

The Chair (Mr. Grant Crack): Okay. We do have it in Hansard, so the Clerk and legislative research will decipher, because your question is along the same lines but not worded exactly the same as it was the first time and now the second time. But I think they'll get the gist of it. Thank you very much.

Mr. McDonell?

Mr. Jim McDonell: I just wonder if it makes sense to distribute those questions so that people can actually see what you've gleaned out of Hansard to send on—just as you're going through, just a copy.

The Chair (Mr. Grant Crack): Again, once the questions are deciphered, they will be distributed to Mr.

Essensa for a response, and copies will be provided to all members of the committee.

Mr. Randy Hillier: You're such a moderate Chair.

The Chair (Mr. Grant Crack): You're a good man, too.

I'd like to remind the subcommittee that there is a meeting tomorrow after question period. Technically, it's scheduled for 11:40, but that's generally not the case. So right after, the subcommittee will meet to discuss how we're going to move forward with the public hearings across the province. I would like all members of the subcommittee to be here in this room tomorrow after question period.

And I'm going to be calling and making it official, so everyone's listening: I'm going to call a committee meeting at 4 p.m. on Tuesday.

Interjection.

The Chair (Mr. Grant Crack): Sorry; Wednesday. Well, we start at 2. There's an order from the House, 2 to 4 tomorrow, which is the leader of the Green Party. Then,

on Wednesday, we have, from 2 to 4, a choice of the official opposition, which we haven't received yet at the Clerk's office. If we do not receive that, then I will cancel the meeting. As well, Thursday is the same process, and we have not yet received who would be coming forward as the third party's choice.

Going back to Wednesday: In order to adopt the subcommittee report on travel, I will call a special meeting after we hear from the official opposition's choice.

Again, tomorrow is Mr. Schreiner. Wednesday is the official opposition's choice. Thursday is the third party. So Wednesday at 4 p.m., a general government committee meeting.

I would like to thank Mr. Essensa and Mr. Batty for coming before committee this afternoon and bringing your counsel with you—very enlightened and good discussion. Thank you very much, and have a good evening. We look forward to seeing you in the future.

This meeting is—ready?—adjourned.

The committee adjourned at 1745.

CONTENTS

Monday 6 June 2016

Election Finances Statute Law Amendment Act, 2016, Bill 201, Mr. Naqvi / Loi de 2016 modifiant des lois en ce qui concerne le financement électoral, projet de loi 201, M. Naqvi	G-1145
Chief Electoral Officer of Ontario	G-1145
Mr. Greg Essensa	
Mr. Jonathan Batty	

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Première session, 41^e législature

Official Report of Debates (Hansard)

Tuesday 7 June 2016

Journal des débats (Hansard)

Mardi 7 juin 2016

Standing Committee on General Government

Election Finances Statute Law
Amendment Act, 2016

Comité permanent des affaires gouvernementales

Loi de 2016 modifiant des lois
en ce qui concerne
le financement électoral

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENT

Tuesday 7 June 2016

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Mardi 7 juin 2016

*The committee met at 1404 in committee room 2.*ELECTION FINANCES STATUTE LAW
AMENDMENT ACT, 2016
LOI DE 2016 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LE FINANCEMENT ÉLECTORAL

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.

The Chair (Mr. Grant Crack): Good afternoon, everyone—members of the Standing Committee on General Government, the Clerks' office, Hansard and legislative research. A special welcome to Mr. Essensa, the Chief Electoral Officer. I'd like to call the Standing Committee on General Government to order.

This afternoon we're here, under order of the House, with the privilege of having with us the leader of Green Party of Ontario, Mr. Mike Schreiner. We're here to deal with Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007. This is part of the public hearings process.

I would just to like to explain to members of the committee, to refresh their memories, that this afternoon we sent a special invite to Mr. Schreiner to come and make up to a one-hour presentation to the committee, followed by up to another hour for questioning and a discussion, similar to what took place yesterday. So there's a total of two hours, from 2 p.m. to 4 p.m.

GREEN PARTY OF ONTARIO

The Chair (Mr. Grant Crack): At this time, I would like to welcome Mr. Schreiner up to the table.

Is my microphone not working?

Mr. Mike Schreiner: We have a red light.

The Chair (Mr. Grant Crack): You have a red light, I don't. Now I have a red light. Good. Very well.

Again, Mr. Schreiner, we welcome you on behalf of the committee and I welcome you. You have up to an hour for your presentation. Enjoy.

Mr. Mike Schreiner: Chairman Crack and members of the committee, I appreciate the opportunity to present here today on Bill 201. I can let you all rest assured

before I start that I don't think my presentation will take an hour. The rest of it is in your hands, if this is going to take two hours.

I think it's time to get big money out of Ontario politics. Cash for access, private dinners, fundraising quotas for ministers and a pay-to-play public funding model that benefits the wealthy and those who seek their money have no place in our democracy. Even the appearance of buying access to power undermines trust in government policy and in our democratic institutions.

In my meetings with the Premier and with the opposition leaders, I think it was clear that all parties agreed that the status quo is unacceptable. Whether you are new to the fundraising reform bandwagon or, like us, have been on it for quite some time, by working together, we now have a historic opportunity to make our elections more democratic and fair.

Comprehensive fundraising reform is, in my opinion, essential to renewing our democracy and restoring trust in the integrity of government decision-making.

I believe Bill 201 takes a major step in that direction, but it does not go far enough. If the government is serious about getting big money out of politics, then Bill 201 must lower donation limits and loopholes, reduce party spending limits, and tighten disclosure and oversight rules.

Before I go into the specific ways in which I think Bill 201 can be improved, I want to reinforce my support for some of the positive changes in the legislation. Although I have not always been supportive of the process that has led to this day—and in this regard, I just wanted to acknowledge the NDP's efforts to establish a non-partisan process and the Conservative Party's support of that effort as well—I am pleased that the government listened to many of the ideas that I shared with the Premier when we met on April 12.

I also want to acknowledge the government House leader for including the GPO in consultations in drafting Bill 201. We'll need a legislative historian to verify this, but it might be the first time that a party without a sitting MPP has been asked to provide substantive input in the drafting of legislation. So I want to acknowledge that and I appreciate the effort to consult across party lines on an issue that is so essential to the fairness and integrity of our democratic elections.

I also want to let you know that I took it upon myself to consult with the leaders of all registered political parties in Ontario for their feedback on Bill 201, and their

input has informed some of the content of my presentation today. I believe that working together across party lines is the only way that we're going to transform political fundraising rules with legitimacy and in a way that is fair, transparent and democratic.

What does the GPO like about Bill 201, with some suggested revisions to certain segments of the bill? First of all, the GPO strongly supports the elimination of corporate and union donations to political parties. People vote, not corporations or unions. As such, people should fund political parties, not corporations and unions.

1410

However, I think the legislation should be explicitly clear that the donation of paid volunteers from a corporation or union should not be allowed. The use of paid volunteers is an obvious way for a corporation or union to get around the ban on corporate and union donations.

Imagine if company X is paying their employees to work for somebody's campaign. I don't think that's acceptable, and I don't think the public would find that acceptable. It's not clear in my current reading of the legislation that that would not be allowed. This rule should be written in a way that does not deny people from volunteering for a campaign or party, nor should it preclude organizations from encouraging people to volunteer, but the use of paid volunteers should be strictly prohibited. The GPO also supports the elimination of corporate and union loan guarantees outlined in the bill.

The second part of the bill we strongly support is the introduction of per-vote funding for political parties. Even though we believe this should be a permanent change, we can live with a review after five years. If we want government decisions to be made in the public interest, then the public should fund political parties. Per-vote funding of political parties is more democratic than our existing public funding system, and I believe that it's also essential to getting the corrosive influence of big money out of politics.

Currently, the public funding of political parties is a pay-to-play system. It's a model that undemocratically benefits big donors through generous tax credits and the parties that seek their money. For example, for a \$2,500 donation to a political party, a person would receive a refundable tax credit of approximately \$1,150, so tax dollars cover almost half of the donation. By contrast, a per-vote allowance is a vote-to-play system. It upholds the simple democratic principle of one person, one vote. It doesn't exclude citizens who don't have deep pockets. It empowers every citizen with an opportunity to financially support the party of their choice with their vote.

The current system is also more expensive. The pay-to-play system currently provides about \$13.4 million of public funding to political parties through the contribution tax credit for their donors. The estimated cost of the per-vote allowance is around \$10.9 million.

I do want to be clear that I'm not suggesting the elimination of contribution tax credits, because I believe

we want to encourage people to make political donations, but I would personally prioritize the per-vote allowance over contribution tax credits because it is more democratic. And I support—which I will talk about later—a dramatic decrease in donation limits, which would presumably reduce the cost of the contribution tax credits.

Finally, in keeping with the one-person, one-vote, one-donation principle, the GPO does not support the party eligibility threshold of 2% province-wide, or 5% of the vote in the ridings where a party ran candidates. Citizens should have the ability to direct their donations to any legally registered party that is in good standing with Elections Ontario. I know some will argue that public money should not go to small, so-called fringe parties, but I think it's more democratic to empower citizens, not politicians, to make that determination.

I want to be clear in this advocacy that it's not in self-interest. The GPO would qualify for the per-vote allowance given the current threshold proposed in the legislation. Rather, I support this because of the democratic principle of one person, one vote, one donation. The cost to the public treasury would be small, but I believe the message to the public would be big. The per-vote allowance is based on democratic principles, not established parties' self-interest.

The third area: The GPO supports restrictions on third-party advertising, including spending limits, reporting requirements and anti-collusion provisions. Partisan third-party ads can be used as a way for corporations, unions and other organizations to get around party spending limits and the ban on corporate and union donations.

Some have raised questions about whether this places a restriction on free speech, but the Supreme Court, in *Harper v. Canada*, upheld the constitutionality of third-party advertising limits, and I think they should remain in the bill.

The areas the GPO would like to see substantial changes to Bill 201—oh, sorry. Actually, I'm going to go to the fourth thing we support, then I'm going to move on.

The GPO supports donation limits for nomination contestants and leadership races, which closes a major loophole that has enabled wealthy donors to exceed donation limits by contributing big money—in one previous case, \$100,000—to candidates who, in the case of leadership candidates, actually might serve as Premier. We also support spending limits for nomination contests and leadership contests.

Fifth, the GPO strongly supports closing the loopholes that enable wealthy donors to exceed contribution limits by making additional party donations during election and by-election campaigns. Although Bill 201 will not be in place before the next by-election, I would challenge all parties to adhere to the spirit of this bill by voluntarily not accepting party donations that enable donors to exceed annual limits during the upcoming by-election in Scarborough–Rouge River.

Okay, now I'm going to talk about a few areas that we'd like see significantly changed. The first is that I

believe that we need to lower contribution limits and eliminate loopholes. Bill 201 does not succeed in getting big money out of politics as it is currently written.

Under the proposed new rules, rich donors can still contribute up to \$7,750 to a political party through donations to the central party, local associations and candidates. I don't think this is the real reform that people want. How many Ontarians have \$7,750 to donate to a political party? High limits mean high-end donors can still buy access. Parties can use loopholes to hold cash-for-access events that give wealthy donors privileged access to power. Even if no influence is peddled, just the perception of it erodes public trust in the integrity of government.

Bill 201 should close all contribution loopholes, not just those for by-elections, leadership and nomination contests. At a minimum, I believe that the annual contribution limit should be capped at \$1,500, total, to a party, including its associations and candidates.

I would like to challenge the committee to consider being even more bold and actually lower the annual contribution limit to under \$1,000. In Quebec, the contribution limit is \$100, to put that into contrast. I've had a number of people—even strong advocates of fundraising reform—tell me that such a low limit is unrealistic. That might be the case, so let's use the committee hearings and public consultation to determine what the appropriate contribution level should be.

What I do know is that we need to lower the contribution limits to prevent anyone from having the ability to buy access or even to have the perception of buying access. Lower limits also have the additional benefit of forcing parties to earn broad support in order to succeed in their fundraising efforts. I can't emphasize enough how important it is for Bill 201 to be amended in a way that lowers contribution limits and closes loopholes.

Secondly, lower spending limits for political parties: Bill 201 does not change Ontario's party spending limits, currently 80 cents per elector. This means that a party's total campaign spending limit is around \$7.4 million, based on the 2014 voters list of 9,248,764 electors. I'm sure that's changed, and our Chief Electoral Officer could probably give us an updated number.

1420

Quebec's limit is 68 cents per elector. If we had that limit in Ontario, parties would have a campaign spending limit of around \$6.3 million. Taking over a million dollars out of a party's potential maximum budget would reduce the pressure to raise big money. An added benefit, from the perspective of many voters, is that lower spending limits might result in fewer negative attack ads, which seem more and more frequent in today's political world.

The GPO does support the addition in Bill 201 of pre-writ spending limits on advertising during the six months prior to an election, but we believe the committee should also consider developing a similar formula for campaign advertising during the entire period between elections, to place limits on what parties can spend.

And while it may be outside the scope of Bill 201, the GPO does believe that changes to the rules made last year for government advertising must be reversed. It's wrong for the government to potentially use public dollars for partisan advertising in a way that may be used to get around the pre-writ spending limits outlined in Bill 201, so I believe the issues are connected.

Third, I would encourage the committee to eliminate the partial reimbursement of campaign expenses. Candidates who receive over 15% of the vote in their riding get a 20% reimbursement of their campaign expenses by taxpayers. This public subsidy costs the treasury around \$1.9 million each election cycle. In addition, parties receive five cents per elector in ridings where a candidate receives over 15% of the vote. This public subsidy costs the treasury around \$1.2 million each election cycle, for a total cost of around \$3 million.

The reimbursement of campaign expenses is clearly unfair to small parties, new candidates and the citizens who voted for them. Perversely, it funds the campaigns of established parties with the tax dollars of people who voted against them. It also encourages candidates to spend more in order to maximize their reimbursement.

The GPO supports the complete elimination of the reimbursement of campaign expenses, not the reduction of the threshold from 15% to 10% proposed in Bill 201.

Next, I would encourage you to improve disclosure and oversight rules. Stronger disclosure and oversight rules are needed to ensure that corporations and unions do not funnel donations to political parties through individuals. According to campaign finance expert Professor Robert MacDermid, some jurisdictions in the US require individuals to list their employer and occupation when making a donation in an effort to avoid corporations funnelling donations through individuals. Quebec requires donations to be verified by Elections Quebec before being transferred to parties and candidates.

I believe Bill 201 should adopt similar requirements to ensure that everyone is playing by the rules and that the fundraising system is open and transparent.

In conclusion, I would like you to imagine this: a political world in Ontario where politicians are concentrating on what's best for Ontario, not on raising money to fund their campaigns; a world where parties engage a broad cross-section of people in their fundraising efforts, instead of focusing on cash-for-access events where politicians have to shake down wealthy donors for big bucks; one where the focus of political spending is to talk to people where they are on the issues, not to go after other parties through high-priced partisan attack ads; a politics funded not by those with deep pockets, but by you and me and our friends and our neighbours—by the voters of Ontario.

Now, picture this:

- low donation limits so MPPs can focus on creating good public policy;

- per vote funding that underlines how important each vote is, because that's how parties would be elected and funded; and

—lower spending limits to take away the pressure that we see right now to go after big money and to make promises in return for exclusive access to MPPs, ministers and even the Premier.

This picture looks a lot like a healthy and vibrant democracy, and I believe we can do this in Ontario.

Bill 201 starts us down the road toward a better democracy. As GPO leader, I've had the privilege of getting to know many of you, MPPs from all parties, and I truly believe that this is the road that all of us want to go down, and I encourage you to take it. Be bold, be transformative and make the changes to Bill 201 that take us all the way down that democratic road. Let's make the focus of politics about people, not about the incessant need to raise big money.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Schreiner. We'll start with Ms. Hoggarth and Mr. Clark.

Ms. Ann Hoggarth: Thank you very much for your presentation. Premier Wynne has committed to making this a collaborative, multi-partisan process to reforming our election financing laws, and you're right: It is time to do so.

The process that we have initiated is open, transparent and credible, and it seeks engagement of opposition parties and experts in the general public through this whole process. It is lengthy and consultative.

Can you detail the level to which you were engaged in the process before the legislation was introduced, in contrast with your involvement in other election-related bills such as the Representation Act, 2015?

Mr. Mike Schreiner: Yes. I met with the Premier on April 12, and we had a very productive meeting. As I said in my presentation, many of the ideas I shared in that meeting are incorporated into the legislation—not all of them, obviously; otherwise, I wouldn't have given you such a lengthy list.

I had subsequent meetings with both opposition leaders to discuss changes that they would like to see and we would like to see in the legislation and in the process. Then I met with the government House leader to review the details of the draft legislation. Based on that conversation, there was one small change made in the legislation. The rest of the changes I asked for I have presented here to the committee and would encourage the committee to act on them.

Ms. Ann Hoggarth: Were you surprised when you were asked to make a presentation?

Mr. Mike Schreiner: I've met with the Premier before on a number of issues. While we may have our disagreements on things, I think the Premier's Office, for the most part, has been relatively open to me on a host of issues, not just this one. She doesn't always listen to everything I have to say but she certainly does listen, so I would say thank you for that.

Ms. Ann Hoggarth: The Green Party has advocated for smart nomination requirements to recognize that not all nomination contests are the same in terms of their

level of activity, allowing campaigns with no spending to have simplified compliance requirements.

The proposed changes to the Election Finances Act, while regulating nomination contestants by requiring registration spending limits and contribution limits, only requires a contestant to retain an audit in the event that they receive over \$10,000 in contributions. Would this meet the criteria for smart nomination requirements, and why are they preferred?

Mr. Mike Schreiner: We want nomination contests to be regulated, and we support spending limits, etc. If, indeed, it's going to be a \$10,000 threshold, I think that would be fine. One of the concerns we had that was brought to us by some of the smaller parties was that their nomination contests are oftentimes just somebody putting their name forward. They don't raise money; they don't necessarily campaign. The fear was that if it was too onerous it would discourage those folks from putting their names forward. While they may not get elected, they make an important contribution to the vibrancy of our democracy and political debate. We wanted to make sure that the process did not create barriers to those folks being able to run for nomination in their party and stand as candidates.

1430

Ms. Ann Hoggarth: My final question: The bill sets a spending limit for nomination candidates of 20% of their riding spending limit during the previous election. Should parties be free to set lower spending limits than the 20% limit?

Mr. Mike Schreiner: The party chooses to set lower spending limits—I think they should be free to do that, yes. I would agree with that.

Ms. Ann Hoggarth: Great. Thank you very much.

Mr. Mike Schreiner: I think it's great that there are spending limits in the bill, though, just so you know.

Ms. Ann Hoggarth: Thank you very much.

The Chair (Mr. Grant Crack): Mr. Clark.

Mr. Steve Clark: Thanks for coming, Mike. I appreciate your presentation. Can you help me out? Just tell me a little bit about how your party raises funds right now. Obviously, you're well aware of how the three parties around this table raise money, but I must admit I'd love to know whether you have spending limits that you impose on your candidates and whether you have big-money fundraisers at high-tech prices. I'd love to hear what happens on the ground with the Green Party.

Mr. Mike Schreiner: First of all, I'll have to say they didn't—and you can go to the Elections Ontario website and obviously get detailed information through our disclosure. I'm proud to say that the Green Party, under my leadership, has gone from a party that raised maybe \$50,000 a year to one that now raises half a million dollars a year. It's not as if we're not participating in raising money. I want to be clear about that. Most of our donations come from grassroots donors, quite frankly. We have hundreds and hundreds of people who give about 100 bucks each, and it all, over time, has slowly added up to not an insignificant amount of money. That's how most of our events happen.

We do have ticketed fundraising events. We've been very clear about that. Most of them are \$100 or less. I'm trying to think if we've had any that have been higher than that. It's a pretty grassroots affair. To be quite honest, the Green Party doesn't have the databases, the staff and the sophistication that any of the three parties with seats at Queen's Park have. If we can figure out how to do grassroots fundraising, all of you are going to be way better at it than us, I'm guessing, because you're going to have more tools to do it.

I think parties can be incredibly successful raising small donations from people. That being said, if you go on the Elections Ontario website, you will see that we've had a few people—I can count them on two hands—who have donated \$5,000-plus to the party. Those weren't at ticketed events. Those were people who were just, "Hey, I got an inheritance. I'd like to give you guys a big donation because I like the work you're doing"—that type of thing. But it's not the focus of our fundraising, if that makes sense.

Mr. Steve Clark: Yes. Okay. I'll have others, but go to Ms. Fife.

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: Thanks, Mike. I know you haven't had a chance to read the Chief Electoral Officer's report that he gave to us yesterday, but I just want to draw a comparison to what you have recommended—it has to do with advertising. I don't know if you've been watching the House of late, but one of the areas of concern for New Democrats is around issue-based advocacy: groups that disagree with any government, be it the Liberal government or future governments, on any issue, from autism to environment to energy, for instance. As Bill 201 is currently crafted, they would be severely restricted in how they could publicly criticize the government. It limits the money they can spend, and now, also—

Ms. Ann Hoggarth: Or support.

Ms. Catherine Fife: Excuse me? Have you got something to say?

Ms. Ann Hoggarth: I said, "Or support."

Ms. Catherine Fife: Or support.

Bill 201 limits how people can communicate their concern or their support and really stifles public opinion. As Bill 201 has been crafted, this is a serious concern for us.

Yesterday, the electoral officer agreed. He said, "I am therefore concerned that the new definition, coupled with the extended non-election period to which it now applies, could capture advertising activity that was not intended. This is one reason, for example, that I want it to be very clear whether or not the act applies to government-sponsored advertising."

He recommends—and this is from some of the strong recommendations—"that the definition of political advertising proposed in the bill apply only during writ periods—in other words, that it not apply to the six months preceding the call of a scheduled general election."

You have said that you support the addition in Bill 201 of pre-writ spending limits. So you support putting those spending limits on the voices of Ontarians prior to an election period? The electoral officer shares our concern that it would capture other voices. Is this something that you're still working through, or do you really think you need shut down that six-month period prior to pre-writ?

Mr. Mike Schreiner: My recommendation would be to have very clear definitions and rules around what constitutes third-party advertising. If it's directed in a way that's partisan then, yes, I think it should be restricted, absolutely.

I'm not a legal expert. My recommendation would be to look at the Supreme Court ruling on *Harper v. Canada* and use that as a guide around how you define what is partisan advertising and what isn't partisan advertising.

One of the concerns I do have is that while we're looking at ways of restricting third-party advertising, which I support—

Ms. Catherine Fife: As do we.

Mr. Mike Schreiner: —we should also be looking at what we determine is appropriate government advertising, which I realize isn't necessarily part of Bill 201, but I think the two are importantly linked because of the way in which it effects issue-based discussion and debate.

Ms. Catherine Fife: I agree with you. The government changed the Government Advertising Act in June 2015, and it gave them more leniency as to what they could advertise about and how often. It places no limits on government—spending limits or issue limits. So you have on one hand a government that has carte blanche, really, to flood the TV and radio airwaves with whatever they want—and you just saw an example of the new climate change plan, the David Suzuki thing—

Mr. Lou Rinaldi: Chair, a point of order.

The Chair (Mr. Grant Crack): Point of order, Mr. Rinaldi.

Mr. Lou Rinaldi: I wonder if we could get back to speaking about Bill 201.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Rinaldi, for your input. I'll allow Ms. Fife to continue her line.

Ms. Catherine Fife: Thank you. Advertising is part of the act, Mr. Rinaldi.

This is the juxtaposition and this is the concern. The electoral officer actually said—and so I agree with you. There is a fine line. Yesterday he quoted the United States Supreme Court around issue-based advocacy: "What separates issue advocacy and political advocacy is a line in the sand drawn on a windy day." A private company, conceivably, could raise an issue, and then the government could make a plan around that issue, and then that private company talking about geothermal, for instance—that then becomes political advertising and is now subject to limitations. He acknowledges that this could be unintended.

That's the work of this committee: to bring some clarity to this, as you pointed out, because we don't want to be limiting private companies and what they advertise

about if the government can construe it to be political. For us, there's more concern around issue-based advocacy.

Thank you very much for also highlighting very strongly and saying, "It is wrong for the government to use public dollars for partisan advertising and to possibly get around pre-writ spending limits outlined in Bill 201."

1440

Please follow this issue very carefully, because we are perfectly aligned on that issue. Okay?

Mr. Mike Schreiner: Okay.

Ms. Catherine Fife: Thank you very much, Mike.

The Chair (Mr. Grant Crack): Mr. Clark, and then Mr. Rinaldi.

Mr. Steve Clark: I just want to pick up on what Ms. Fife was asking you about. One of the things I mentioned yesterday when Mr. Essensa was speaking was about the Manitoba ban on government advertising. It was the first election we've had in Manitoba where they've actually instituted the ban. Would you support such a ban of government advertising for that 90-day period?

Mr. Mike Schreiner: You know what? We haven't made a determination on that, but I certainly think it's worth exploring, absolutely, yes. I am concerned that the juxtaposition—I want to stick to Bill 201, but the juxtaposition of restricting third-party advertising, which I support, and not placing restrictions on government advertising, could be construed as partisan.

Mr. Steve Clark: Yes, I know. But the Manitoba rule, just so you know—

Mr. Mike Schreiner: It bans it. Yes.

Mr. Steve Clark: —would include tenders and employment ads, and if there was an emergency, the government could still advertise in those cases, just not the partisan stuff that this government has allowed to happen.

Mr. Mike Schreiner: Okay. That would be the level of detail I would want to know, because those types of ads—you're legally required to make some advertisements based on certain legislative changes or whatever. So you would have to make sure you draw a fine line.

Mr. Steve Clark: In your presentation, I'll read you the line that you read into the record: "Citizens should have the ability to direct their donation to any legally registered political party that is in good standing with Elections Ontario." Is that done in any other jurisdiction that you know of, where the person would just deal with the election agency and be able to direct their donation, as opposed to the present system or the proposed system?

Mr. Mike Schreiner: Maybe I need to be more clear on that. What I'm advocating for is not having the threshold. The per-vote allowance, which is in the legislation—a number of jurisdictions in Canada and around the world have per-vote allowances. What I'm advocating for is that the threshold not be in place. As an example, you can use numerous parties, but let's say the Libertarian Party of Ontario is unlikely to achieve the 2% threshold. Why would you deny them a per-vote allowance for the votes they received, provided they meet all the legal require-

ments of a registered political party? That's the point I'm making. In Quebec, the per-vote allowance is set up in a way that enables smaller parties to participate in the system.

The reason why I say it's not very much money—there are some parties out there that get maybe 500 votes. But should those 500 Ontarians be denied participation in the per-vote allowance that Green Party voters and Liberal voters and NDP voters and Conservative voters participate in? That's the only thing I'm asking for, just to be clear on that.

The Chair (Mr. Grant Crack): Thank you. Mr. Rinaldi.

Mr. Lou Rinaldi: Again, Mike, thank you for being here today. Just a quick question: Based on the way Bill 201 is drafted now, we know that that's not fait accompli. That's why we're doing some extensive consultation after first reading and second reading, to get some good advice.

Following up on Mr. Clark's previous question on how you fundraise, the Green Party and others, do you see that this will help provide a bit of a level playing field for the Green Party and others when it comes to fundraising for an election or building some kind of a war chest for an election?

Mr. Mike Schreiner: First of all, I think Bill 201 moves us in the direction of creating a more level playing field, absolutely. I don't think it goes far enough. Also, I would really like to make the case, because I would say, given what I've seen on my Twitter feed—if you can take Twitter for what it's worth—but also in comment sections of articles I've written, probably the most controversial aspect of Bill 201 right now, at least among the public, is the per-vote allowance.

Some people said to me, following my Twitter feed, "You hypocrite. You just want money from the government." Well, first of all, the Green Party would get less money than all of the other parties, so it's really not about what's good for the Green Party or, I would even argue, what's good for the Liberal Party or the NDP or the Conservatives. The per-vote allowance is just good for democracy, because it adheres to the principle of one person, one vote. I think it's an important component of the bill and I hope that you all remain strong in keeping that aspect of the reforms in the legislation.

Mr. Lou Rinaldi: Thanks for clearing that up. To follow up, in drafting this bill the way it is right now, there was a significant agreement that was needed that makes Ontario a leader in the way of reform to achieve this. Yes, there are other provinces that have done it before us; fair enough. I think your comments on my last question reflected this. But leveling the playing field by putting an end to corporate and union donations, the introduction of a per-vote subsidy, lowering the contribution limits, limiting political advertising six months prior to an election, restricting pre-writ and during-campaign party advertising and removing a by-election contribution period for central parties—out of these proposals, and I know you talked a lot about each one of those already,

can you maybe focus a little bit on one or two of them, or all of them, and how these can be strengthened? Again, just to make sure we have on the record what your thoughts are.

Mr. Mike Schreiner: Right, okay. First of all, if you want a general guideline, I would suggest looking at how Quebec does it, because I think they have the most rigorous campaign finance system, and the one that's the most democratic and fair. So that would be a good model to look at. Specifically, I think the most important element of the legislation is the ban on corporate and union donations, and I've talked about how I think that can be strengthened.

I think the per-vote allowance is essential. I think I've talked about how that can be strengthened, and the restriction on third-party advertising, etc.

I think the area that is in the most need of amendment is lowering donation limits. The fact that a person can still donate \$7,750 to a political party once you divvy it up between riding associations and candidates—I think it's still too high. I've been advocating a hard \$1,500 limit as a start, and I've even had criticism from some fundraising reform people saying that's too high. So I definitely know that \$7,750 is too high. I think that's probably one of the most important areas which the bill can be strengthened.

I think putting in spending limits would help. The fact that it doesn't change spending limits puts pressure on all of you. We can cast aspersions towards each other, but we all operate in this system that puts a lot of pressure on us to raise money. Lowering spending limits would help just relieve that pressure off of everyone. So I think that would be a very important step in the right direction. Those are the two areas that I think would be in the most need of reform or amendment to the bill.

Mr. Lou Rinaldi: This will be my last question or comment for this time around. We heard this yesterday as well with the Chief Electoral Officer and some other folks, and this is why I think this feedback is very important. I know that you advocated for donor disclosure by asking donors to list their employers, as a way to ensure that corporations are not funneling money through some other channels. Obviously you feel that might happen. Can you give us some suggestions on how we can try to control that? Because let's be fair: I think you've been more than fair by saying that it's difficult to capture everything, but obviously, we should try to have the best way to do things. Can you give us some idea?

1450

Mr. Mike Schreiner: First of all, I would recommend bringing Robert MacDermid in, who's a professor at York University, because he's more of an expert on this than I am, just so you know. I want to defer to people who know more than me. But he has pointed out to me that in the US there are jurisdictions that require occupation and residency disclosure. Then it becomes obvious if company X has 200 employees making a donation to political party Y that there could be some sort of collusion or something happening under the table. It's a way to

identify that, and with our real-time disclosure requirements that are already in place, that could even be disclosed while the campaign is still happening and could affect the outcome of the election. I think something like that is important.

Quebec has taken a different model where, before a party can actually receive the donation money, it has to be cleared through Élections Québec. Mr. Essensa would have to give you feedback on whether his office wants to take on that kind of responsibility or not, but that's another approach to get at that issue.

I think it's an important one, because whenever I talk about banning corporate and union donations—and I've been advocating for this for many years now—the cynical response always is, "Oh, they'll still find a way to get around it and they'll do it through X, Y and Z." These are two approaches that have at least been tried in other jurisdictions, so you have a model to look at and to build on. It's not like Ontario inventing a new wheel to look at how we could prevent that from happening here.

Mr. Lou Rinaldi: Thank you, Chair.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Rinaldi, for that quick question. Mr. Colle.

Mr. Mike Colle: Thank you very much for your spirited presentation. As I tell people, I think I've been involved in over 50 elections myself, either as a candidate or helping others. The one thing I fear is that we're going to have a lot of professors and we're going to have a lot of so-called experts come in here and tell us how to run an election and what the rules should be, and yet they've never knocked on a door in their life.

The one thing I think is essential is to understand that to allow new people to run—as the Elections Ontario commissioner, Mr. Greg Essensa, said earlier, "You want a level playing field." I just don't know how you're going to have a level playing field, because the one thing that people don't evaluate or analyze is the cost of running an election in this day and age. You could have all the volunteers in the world; you could have all the door-to-door knocking and all that stuff, but the cost of just getting in the game is getting higher and higher.

I don't know if you've got any suggestions about how to lower the costs, given that the costs of putting up election signs is getting ridiculous, the cost of getting information out—because as you know, Canada Post is now just for rich people. You can't mail anything anymore. At one time, you could do a postal walk. You can't. The cost of printing has gone through the roof. If you're in major markets, the only way you penetrate somehow is by using social media, and you can't use social media by itself, as you know, because you need to get into social marketing. You can have all the nerdy social media people doing your work, but you still need to buy a ticket to get into the social media market. Let's not even talk about radio and television; it's prohibitive.

I asked the Elections Ontario commissioner to think about this too: How can we, perhaps, lower those costs for candidates so that there would be an opportunity for people to get into the game and to participate fully?

We're all talking about lowering limits and lowering all these things, and that's great. We're probably—most of us—in favour of that. But then the reality is that it's an expensive game that we're in, not because of the politics, but just because of the nature of communication nowadays.

Mr. Mike Schreiner: Right. A couple of answers to that: One is that under the per vote allowance—and I'll have to go back and refer to the calculations on it, but I believe the Liberal Party would get around \$5 million. Does that sound right? Anyway, that right there is almost the current spending limit, so it's not as if the party is going to be handcuffed and not be able to function.

The per vote allowance isn't going to make everyone equal. The Green Party is going to get substantially less money than the Liberal Party or the NDP or the Conservatives, and the NDP is going to get substantially less than the Liberals, at least until after the next election. I don't think anybody who is advocating for reform is suggesting that every party should have the same amount of money. I don't think any of us are advocating for that. What we are advocating for is a more level playing field and more equal access to participate in the system for everyone. Not everyone has the ability, frankly, to have \$100,000 private dinners that charge \$10,000 a plate. I think it's those types of egregious events that people want changed, but I don't think they're expecting everyone to have the same amount of money to spend.

Having to go out and raise money is, I think, actually an important part of the process. As somebody who has had to do it—and I don't particularly enjoy fundraising, but you learn that you have to get good at it if you're going to be in this game. I don't think anyone is suggesting creating rules that completely eliminate that either, but having limits that are lower and more accessible to a broader range of Ontarians moves us to a level that's more fair and is, just as importantly, perceived to be fair.

On top of that, I would say—and I haven't thought through this, so maybe an Elections Ontario officer can speak to this—that maybe there are some opportunities around equal airtime—I know that this is federal jurisdiction versus provincial jurisdiction. I know we have some laws like that around equal airtime and things like that. We could be looking at the legalities around that to create opportunities for the debate and the discussion to happen that are not so expensive for parties.

Mr. Mike Colle: I'm not just talking about parties here; I'm talking about individuals. If you have a per vote allowance, how are they going to get into the game? If you're a small party or an independent, you're not going to be able to get in the game because of the cost of the game.

I like that idea of visiting the public airtime, because I know that initially, when local cable stations were local cable stations, we used to get on them quite regularly. I can't remember the last time I was ever on a local cable station. It's a whole different mandate that they have. Right now, you can't get airtime. And I'm not talking

about parties; I'm talking about individuals. How do you, perhaps, give opportunities for people to debate, talk about their issues, promote their issues or promote their platform? Because right now, as I've said, it is literally impossible, and about the only way you could maybe do it is through a big party. I think we need to look at some of the barriers to entering the process, which are getting costlier and costlier every election.

1500

Mr. Mike Schreiner: Right. I agree with you.

Mr. Mike Colle: And one other thing: You mentioned an interesting thing about fewer negative attack ads.

In fact, I'd like to ask research if you could give us a breakdown—maybe there is some data out there—on the number and cost of attack ads that are negative versus so-called positive ads that are used, especially in television and radio, which are the main sources for ads.

Mr. Jeff Parker: I'm not familiar with any research on that in Ontario. I can look. Are you okay with reports from other jurisdictions as well?

Mr. Mike Colle: Sure. That would be helpful.

Mr. Mike Schreiner: Could I make a suggestion on that, if you don't mind?

Mr. Mike Colle: Yes.

Mr. Mike Schreiner: I based that comment on looking at what happens in Europe versus North America. In Europe, where most countries have lower spending limits and per vote allowances, they have less money to throw around towards negative campaign ads.

There are other issues like proportional representation and things like that that are outside of this legislation and affect that type of debate as well. But if you were going to look into it, I would really recommend looking at how democracies work in a number of European countries, where, at least in the preliminary research I've done in talking with Green Parties in Europe, they've said, "We don't have as much money as you have. We have more public financing and we just don't do the negative. It's not as big a part of our political culture." Whereas if you look at the US, where it's like the Wild West—we look like angels compared to the States. The negative ads are, I would argue, out of control. So it appears, if you look across jurisdictions, that in places where you have more money to spend and fewer restrictions around fundraising, you have more negative ads than in jurisdictions where you have more limits and restrictions.

Mr. Mike Colle: Yes, that would be interesting to get.

I wonder: Are there any jurisdictions where—maybe one way of really cutting down the need to raise money is by banning negative ads, because it seems that most of the ads—certainly what I saw on television in the last federal election—were negative. Especially during the hockey games, I remember, it was just nonstop. But anyway, are there any jurisdictions you've heard of where they've just banned negative ads?

Mr. Mike Schreiner: That's a good question. I'll have to do some research into that. Again, I would look at Europe. Most of the preliminary research I did on this was with European Greens, and that was why I put that

section into my presentation: because the preliminary research I had done with them suggested that. But somebody would need to do more empirical data.

Mr. Mike Colle: Yes. We'll try.

Mr. Jeff Parker: Mr. Colle, you're asking for the difference in European campaigns, then?

Mr. Mike Colle: No, if there are any jurisdictions that have prohibited or limited so-called negative campaign advertising.

Mr. Jeff Parker: Okay.

Mr. Mike Colle: And I guess my final comment or question is—I haven't quite come to a conclusion on this, but one of the questions I'm starting to ask myself is, is this going to give rise to Trumpism? As you know, the candidate for the Republicans in the United States has been able to launch a campaign with his own money, through personal loans or whatever it is of his own personal fortune. What if a person has a great deal of personal money? Would this be easier for him or her to engage in the political process and make it more difficult for people with limited funds to engage in the political process?

Political parties aside, I'm talking about individuals running for the nomination and running for the candidacy of a party. Have you given any thought to that?

Mr. Mike Schreiner: My reading of the bill as it's currently written is that no, it wouldn't lead to that, because there are restrictions replaced on individuals as well, and independent candidates. I don't think you would see that, because under Bill 201, somebody like Trump wouldn't be able to use his personal fortune because there are limits. So I don't think that would happen, given how the bill is currently written.

Mr. Mike Colle: But the amount of personal money you can put into a campaign—are there—

Mr. Mike Schreiner: There are limits on that in the bill.

Mr. Mike Colle: On personal—

Mr. Mike Schreiner: Yes, on personal. I think the most you can donate is to your own personal leadership campaign, which is \$20,000. I believe that's right. That is the highest limit. All the other limits are substantially lower than that, so I don't think it would be possible under this bill.

Mr. Mike Colle: Okay. Anyway, thank you for your contribution.

Mr. Mike Schreiner: Sure.

The Chair (Mr. Grant Crack): Thank you, Mr. Colle. Ms. Fife.

Ms. Catherine Fife: Yesterday, the electoral officer talked about trying to create a process here. This committee's work is focused on creating a level playing field, and those are some of your themes as well, Mike. He also talked about whatever recommendations come out of this committee, that they put the elector at the centre, which is an admirable bar, right?

In order to understand how we got here as a committee, we got a little history lesson. When the Lortie Commission reviewed election financing, they did so

without having a piece of legislation on the table, so we are in an unusual position as a committee because we have this document. In our opinion, it's a flawed document, as you know. We've been very vocal about that.

Also, when the Camp Commission went through their review of electoral financing reform, it was a Tory government. But they decided that there would be three members, one from each party. In this day and age it would be four, because the Greens are there.

In the context of going forward, because you can see where the numbers are, and for us, process matters, do you want to comment on the fact that the Green Party is not part of this process even though we've moved a motion to try to get it as part of it? Justin Trudeau, at the federal level, to his credit—really unprecedented—made the committee that is reviewing electoral reform balanced in a very democratic way.

Would you like to comment? This is your opportunity to do so.

Mr. Mike Schreiner: Sure. I think I made myself very clear a couple of months ago that I support an all-party process, and I have indicated to the Premier and the government House leader that I advocate for a committee that doesn't allow the government to impose its majority will on the committee. I think, particularly for this piece of legislation, that would be the appropriate way to go. I understand that most legislation shouldn't move through the Legislature in that way, but I think this one is special because it's at the heart of our democracy: how we fund political parties and political campaigns.

I think for something that deals with something like electoral reform, which is what we're talking about federally, and election financing reform, which we're talking about provincially, I would prefer a committee process that doesn't empower one party to impose its majority will on the committee. So if this committee decided to move in the same direction that the Liberals did federally, I think that would be a good move and I think it would be a move in a positive direction.

Ms. Catherine Fife: What impact do you think it would have on the electorate? Because that's what we're trying to—we're trying to instill some confidence again, because there is a lot of cynicism out there.

Mr. Mike Schreiner: Right. I think it would just show people that there's goodwill to make this about what's best for our democracy and what's best for the electors, the citizens, the voters, and not necessarily what's best for parties. That being said, I would love to stand here and say the Green Party should be on the committee. I'm not here to advocate that we should be on the committee. I certainly appreciate the fact that there was a motion put forward by the NDP that would include the Green Party. My interest is more that the committee be structured in a way that one party isn't able to impose its majority will on the committee. That's my bottom line.

Ms. Catherine Fife: This is the problem, though. In your presentation, you say, "High limits mean high-end donors can still buy access," so you fundamentally disagree with the \$7,750.

Mr. Mike Schreiner: Yes.

Ms. Catherine Fife: It is high, and we heard yesterday that that's not the average amount of money that Ontarians donate. We heard about the high level—Ontario is an outlier as far as third-party advertising. The third-party advertising is off the charts for Ontario. We were shocked—I think genuinely so—when Mr. Essensa gave us the presentation yesterday. Ontario spends a huge amount of money on third-party advertising. There are no limits in Bill 201 on third-party advertising.

1510

You said that Bill 201 should close all contribution loopholes. I want you to address loopholes. For us, you can drive a Mack truck through these loopholes in this piece of legislation. This is your opportunity to get on the record what exact loopholes you want closed. Then there should be oversight, because that's the missing piece, right? It's one thing to have a piece of legislation that says, "We're going to try to make this playing field fair," but if there's no oversight to it, then it's just a piece of paper.

Mr. Mike Schreiner: First of all, for me, the main loopholes that need to be closed are the fact that you can donate to a central party, a constituency association and a candidate. Essentially, what appears to be a \$1,550 limit is actually a \$7,750 limit, which I think is too high. Those are the loopholes I would like to see closed.

The other part, around oversight: I'll just reiterate what I've already said around disclosure. I think we need stronger disclosure and oversight mechanisms. I've suggested two: Quebec and the US, and there may be others. But the legislation needs more oversight and disclosure requirements.

Ms. Catherine Fife: Just so you know, yesterday I did ask a question of the electoral officer around real-time disclosure. As you point out, it's \$7,750 in an election year, with, supposedly, \$6,200 of that going to candidates and constituency associations, but what will be disclosed?

Mr. Mike Schreiner: Exactly.

Ms. Catherine Fife: That's the question. There's a commitment on behalf of the officer to come back to this committee with some clarity. Ontario, up to this point, has had fairly strong real-time disclosure guidelines.

The one thing you have not referenced in your report is the issue of polling. The electoral officer is recommending that research and polling expenses be subject to spending limits as well. We both know that polling is a new character—I think polling is a new actor, actually, in elections in the province of Ontario, with very selective polling that does happen. Do you want to talk about—this is a disclosure issue as well, right?

Mr. Mike Schreiner: Yes.

Ms. Catherine Fife: It needs to be tracked. It's a lot of money. Go ahead.

Mr. Mike Schreiner: I did not have an opportunity to read all of Mr. Essensa's presentation yesterday. I did read some of it.

One part of his presentation I strongly agreed with was, I believe, not only polling but travel expenses. There were some other campaign expenses that are not included in the spending limits, and I would advocate including them as part of the spending limits.

Ms. Catherine Fife: Okay. Thank you very much.

The Chair (Mr. Grant Crack): Thank you. Mr. Hillier.

Mr. Randy Hillier: Thank you for being here today, Mike.

Mr. Mike Schreiner: Sure.

Mr. Randy Hillier: Sorry I missed your presentation, but duty called elsewhere.

Mr. Mike Schreiner: It was brilliant. Just kidding.

Mr. Randy Hillier: Listen, there are a couple of things that I want to ask you. From reading this, it appears that you're significantly in favour of the per vote subsidy, but you'd like to see it altered and the subsidy not be constrained by how somebody votes but by how somebody thinks on a particular day.

Mr. Mike Schreiner: No, no—

Mr. Randy Hillier: That you could direct your money—I was correct—

Mr. Mike Schreiner: No, go ahead. Sorry, I just—

Mr. Randy Hillier: The objective here that we're looking for is to make sure that we develop a strong, robust piece of legislation that carries the public's confidence and, of course, that it's fair and that it also doesn't present any undue barriers, or any advantages, to one party over another, or one group of parties over another.

You're opposed to improving the reimbursable expenses side. That, of course, is a strong advantage for local riding associations. The per vote subsidy does nothing for riding associations. It gives an advantage to the central party or the leadership of a party, but it doesn't give any benefit per se to a riding association, where the reimbursable expenses are advantageous to both the party and the riding association. They both derive a benefit.

Your opposition to this or your preference to advantage the party and not the riding association—does that come out of your own particular set of circumstances with the Green Party, where you don't have a significant presence at the riding association or significant campaigns at the local association but more as a provincial—

Mr. Mike Schreiner: Good question. My response to that would be, if the campaign reimbursement stayed, it would be to eliminate the 15% threshold and just do a reimbursement to riding associations regardless of whether they achieve the 15% threshold or not.

In Quebec, as an example, rather than doing it as a campaign reimbursement, they do it as a matching—I think it's the first so much money you raise. I know it's \$200,000 for a party. I can't remember what it is for a riding association. But there would be public matching of that.

What I'm trying to get at with the reimbursement issue is that it creates a significant disadvantage to smaller parties because very few small parties are going to reach the 15% threshold.

Mr. Randy Hillier: You're more concerned with the threshold than the concept.

Mr. Mike Schreiner: Absolutely. My main concern is with the threshold. What I've tried to do with my presentation is to create an even—we're never going to have, like I said, a completely even playing field—but to create a more even playing field for some of the smaller parties out there, everything from the Libertarian Party to the Communist Party and a number of them in between. If they're a legally registered party that meets all of Elections Ontario's criteria to be a party, then I don't think they should be completely excluded from the system.

Two exclusionary aspects of our current system that would be a part of Bill 201—one is the campaign reimbursement threshold, and the other one, if Bill 201 would pass as it's currently written, is the threshold for the per vote allowance. What I'm mostly advocating for is a reduction or elimination of those thresholds.

Mr. Randy Hillier: So in the ideal Green world, we'd have the vote subsidy, and we wouldn't have a threshold. Every party, if they're legally registered or legally recognized by Elections Ontario—if they got 50 votes or 100 votes across the province, they would be entitled to the subsidy; the same on the expense side, as well.

Mr. Mike Schreiner: To put that into perspective, if you think about it—some people have said, "Oh, jeez, are we going to fund everyone? We're just going to have anarchy out there." I'm not saying you have, but I'm saying some people have. If you meet all the legal requirements and 50 people vote for you, shouldn't those 50 votes count and shouldn't those 50 voters be able to direct their donation to the party they supported or, in a case of a riding threshold, within that local campaign? It's not a significant amount of money—

Mr. Randy Hillier: What about independent candidates?

Mr. Mike Schreiner: I would be fine with independent candidates as well.

Mr. Randy Hillier: So no threshold, and if they got—

Mr. Mike Schreiner: As long as they meet the legal requirements. You have to be able to meet the legal requirements because we don't want just anyone who—as long as you meet the legal requirements.

Mr. Randy Hillier: Mr. Essensa is here, as well.

Just for the record, how many legally registered parties do we have in Ontario right now, and maybe if you could give us some idea of how many party candidates in total we had in the last election—party candidates under different banners and independents, in total.

1520

Mr. Greg Essensa: During the last general election, we had just slightly less than 700 candidates, and we currently have 21 registered political parties. Political parties go up and down, I will tell you. They can range anywhere from 18 to 22 or 23, depending on the time.

Mr. Randy Hillier: And I'm just going to pivot here for a minute, if you don't mind. Did we not alter the rules a few years back on registering political parties? Correct

me if I'm wrong, but we reduced the criteria or the requirements. At one time, a much larger number of people were required for a party to be recognized.

Mr. Greg Essensa: That is correct. The standard now is just to have two registered candidates, and you can legally constitute yourself as a registered party in Ontario.

Mr. Randy Hillier: So two—

Mr. Greg Essensa: Two registered candidates.

Mr. Randy Hillier: Okay. Previously, thousands of signatures were required.

Mr. Greg Essensa: Yes. There was a much higher standard based on the number of signatures that you had to ascertain.

Mr. Randy Hillier: Okay. You're saying this number fluctuates. Is that due to recognized parties being delisted or unrecognized, or is it—

Mr. Greg Essensa: There is a wide array of reasons. Some parties voluntarily deregister. Some become deregistered because of lack of compliance with rules and regulations. New parties generate themselves. Sometimes they become non-existent. There's a wide array of reasons why that fluctuates, but during my eight years as CEO, I would tell you that we've always registered somewhere between 18 to 22 or 23 parties.

Mr. Randy Hillier: The other thing, going back to Mike: We had a little bit about third-party advertising, but that's not where your focus is. That's not where your emphasis is, if I'm correct to say that. You're looking more at the election financing side than third-party advertising.

Again, would it be fair to deduce that would be because you have not been negatively affected by third-party advertising, and have maybe been on the benefiting side of third-party advertising with various environmental groups, NGOs or whoever, promoting a particular cause?

Mr. Mike Schreiner: First of all, I've been very clear that we support restrictions on third-party advertising and advocated for restrictions on third-party advertising prior to the introduction of the legislation. I support restrictions on third-party advertising. I would like it if we were more the beneficiary of it in the past, but we haven't been. I guess we'll leave it at that.

We haven't been a beneficiary of third-party advertising. I think the balance that just needs to be struck is sort of the nature of the previous conversation: just to make sure the guidelines are developed in such a way that maintains freedom of speech. I think *Harper v. Canada* is a case that outlines that in Canada, and I would encourage the committee to follow that as a guideline.

Mr. Randy Hillier: I'm assuming you've read through the legislation.

Mr. Mike Schreiner: Yes.

Mr. Randy Hillier: Subsection 21(1), when I read that, tells me that other associations and/or trade unions will be able to provide group contributions for election financing or third-party advertising, and if the transfer is less than \$100 and there's no need for disclosure of who

that individual might be, whether that's a deemed transfer or a real transfer—but we won't know.

One of your comments is that there is stronger disclosure and oversight required and specifically “needed to ensure that corporations and unions do not funnel donations to political parties through individuals.” It seems like 1(1) allows a funnelling of labour to a political party; 21(1) allows for the funnelling of money. Were some of those the things that tweaked that comment?

Mr. Mike Schreiner: Both of those sections, particularly 1(2), if I remember correctly, were the reasons I specifically talked about paid labour in campaigns and that I think that section of bill should be changed. I think it's clear that if a corporation or a union pays employees or members—or if any organization, an environmental organization or whatever, pays their members to go work on another campaign—that's a donation.

That being said, I don't want to restrict people from volunteering. I have nothing against a union saying, “Hey, I encourage you all to go out and volunteer,” but I don't think they should be paid to do it.

Mr. Randy Hillier: Your view of volunteering would be consistent with my view: that “volunteer” means an unpaid position.

Mr. Mike Schreiner: Absolutely. It should be unpaid.

Mr. Randy Hillier: Not being paid by somebody else to provide my labours to a third party.

Mr. Mike Schreiner: That's right. So I'm not in support of organizations or corporations paying people to work on another campaign. I think that's a contribution and should be treated as a contribution.

Mr. Randy Hillier: Maybe I'll just pivot back over to the Chair. I heard some comments earlier, and there was some discussion, and I don't think the statements were correct or factual. There was some discussion about leadership campaigns being able to contribute \$20,000 to their—I know we have our Chief Electoral Officer here, and he may be able to provide the guidance that I'm seeking. But if not, would it be reasonable to have counsel from the ministry present so that when there are assertions or statements made, that we can see if they are, indeed, factual and not be making decisions on false statements or inaccurate statements? Because I don't believe that's correct about a \$20,000 contribution to your own campaign.

The Chair (Mr. Grant Crack): If the committee consents to requesting to have legal counsel come forward, we can certainly entertain that.

Mr. Randy Hillier: Well, I'm just wondering if it would be beneficial to have counsel present during the committee hearings.

The Chair (Mr. Grant Crack): Mr. Rinaldi.

Mr. Lou Rinaldi: If I may just comment: Mr. Hillier, somebody within this room could clarify your question. I'm not so sure we need counsel in our back pocket every minute. You can always ask for clarification, like we did yesterday when the Chief Electoral Officer was asked some question and he said he had to go back. That information could be coming or we could request it.

The Chair (Mr. Grant Crack): Maybe, perhaps, we could just ask the Chief Electoral Officer, Mr. Essensa, to comment on it, please.

Mr. Greg Essensa: Sure. The current provision in the bill, as it's written, is that \$25,000 is the limit for leadership.

Mr. Randy Hillier: Under the current provisions of Bill 201.

Mr. Mike Colle: To leadership.

Mr. Greg Essensa: That's correct. Just to leadership.

The Chair (Mr. Grant Crack): Thank you very much. Thank you, Mr. Hillier.

Mr. Mike Schreiner: I stand corrected; I was \$5,000 off on that.

Mr. Randy Hillier: Always good to make decisions based on accurate facts.

Mr. Mike Schreiner: Absolutely.

The Chair (Mr. Grant Crack): We're always entitled to correct our record, sir.

We'll move to Ms. Malhi.

Ms. Harinder Malhi: Bill 201 proposes to reduce the influence of third-party money. By imposing a spending limit on political advertising, and this includes associated-issues advertising by third parties—what process do you suggest we can implement to determine what an associated issue is? And if it is an associated issue and there is money being put towards advertising, then how do you suggest that we put that into the advertising budget?

Mr. Mike Schreiner: I would recommend bringing in legal counsel as well as the electoral officer to guide you on that because I don't feel that I have the competency to give you the details on that one, other than the basic concept of the restrictions on third-party advertising that I think are appropriate. My preference would be that the government go back to the way in which government advertising was regulated prior to the changes that were made last year.

1530

The Chair (Mr. Grant Crack): Mr. Colle?

Mr. Mike Colle: Yes. One other question came to mind when you were talking about trying to ensure that volunteerism in a campaign takes place but that you want to dissuade people from encouraging employees or union members from, essentially, engaging in forced volunteerism. For instance, the owner of a company can say, “We expect everybody to work on the campaign the next week.” You mentioned that one of the sanctions against that is, in some jurisdictions, where the profession and the place of work of the person—the donor—has to be given. What jurisdiction is that in? Is it in the United States?

Mr. Mike Schreiner: Yes. It's in the US. I would recommend that Robert MacDermid, who is a professor at York and an expert on fundraising reform, could provide you with details about how that functions. But in jurisdictions in the US, that's how it's done.

Mr. Mike Colle: I'm just wondering, and if I could ask research again or maybe the Chairman, if we could

refer this to the privacy and information commissioner and get her thoughts on this, because I know there would be a lot of people that would object to this—I suspect, anyway.

The Chair (Mr. Grant Crack): So what exactly is your request, Mr. Colle?

Mr. Mike Colle: I would like to get the privacy and information commissioner's comments on the proposal that exists in certain jurisdictions that anyone who donates to a campaign is to disclose their place of work and their occupation.

Mr. Randy Hillier: Place of birth?

Ms. Ann Hoggarth: Work.

The Chair (Mr. Grant Crack): Madam Clerk, would that be an undertaking that your office would be appropriate to follow up on?

Interjection.

The Chair (Mr. Grant Crack): The Clerk, on behalf of the committee, will write a letter to the privacy commissioner for a response with regard to your question, and then the response will be distributed back to the committee.

Ms. Fife?

Ms. Catherine Fife: Just a question of clarification as to this request: The only reason that we would ask the privacy commissioner to explore this is if this committee was looking to go down that road. What's the motivation to seek out this information?

Mr. Mike Colle: Exactly that.

Ms. Catherine Fife: Exactly what?

Mr. Mike Colle: We are looking—

Ms. Catherine Fife: So you are? Are you suggesting that the government would then ask people to disclose where they work?

Mr. Mike Colle: No, you didn't hear what I said. I said that in certain jurisdictions in the United States, this is one way that they monitor the whole situation about forced volunteerism. That's what they do in certain jurisdictions. I said that I would like to get a clarification on the privacy commissioner's position on that, if we were to do that.

Ms. Catherine Fife: So you are considering introducing an amendment to—

Mr. Mike Colle: No, no, no. We are exploring things, okay?

The Chair (Mr. Grant Crack): Further discussion?

Mr. Mike Schreiner: Can I respond, just to clarify?

The Chair (Mr. Grant Crack): Mr. Schreiner.

Mr. Mike Schreiner: Just to clarify: It's my understanding that, in the jurisdictions in the US, it's not related to volunteer labour; it's related to donations. That's an important distinction. In those jurisdictions, the disclosure requirements are around financial donations. You can't be in a situation where a company or a union or an organization could say, "Here, we're going to give you a \$500 bonus, and we expect you to donate it to party X or candidate Y." Just so I'm on the record, my understanding is that in the US it's not related to volunteerism but related to actual financial contributions.

Mr. Mike Colle: Yes, and I think it's just related—

Ms. Ann Hoggarth: They could have it for both.

Mr. Mike Schreiner: It could be, but I just want to be clear that—

Mr. Mike Colle: It's just related to one way of controlling the loophole around indirect, let's say, company or corporate involvement in the campaign.

Mr. Mike Schreiner: Right.

Mr. Mike Colle: If this could be commented upon by the Information and Privacy Commissioner as a way for us to consider if we're going down that road in the future.

Mr. Mike Schreiner: Right.

The Chair (Mr. Grant Crack): Further discussion?

Ms. Harinder Malhi: So the Green Party had been advocating for per vote allowances as an alternate source of funding for political parties. Bill 201 does seek to introduce an allowance, but only to those parties that receive more than 2% of the votes in the province and more than 5% of the votes where the party is running a candidate. Do you think the current per vote allowance threshold is sufficient?

Mr. Mike Schreiner: My request to the committee would be to consider just eliminating it. And just related to our previous discussion, if that means increasing the threshold requirements of what it takes to be a registered political party, maybe that's something the committee would want to look at in relation to that issue.

But my recommendation would be to eliminate the threshold just based on the principle of one person, one vote, one donation. Essentially, by having a threshold in place, you're excluding some voters from participating in the per vote allowance system, and I don't want them to be excluded.

Ms. Harinder Malhi: Thank you.

The Chair (Mr. Grant Crack): Further discussion.

Mr. Lou Rinaldi: Thanks again, Michael. Just a quick question: Correct me if I'm wrong, but I think your support of the just-in-time reporting of donations under the—to be as transparent as they can be, just in time. I reflect back on my own association, which is fairly healthy—good volunteers. I know how difficult it is sometimes to get volunteers on a regular basis—to impose additional volunteerism on them to do these types of things.

So knowing that—and I'm assuming. I know that your former candidates in my riding—good folks and good friends, I should say. In the past, in their structure and their commitment, would that just-in-time reporting—I'm not sure how they would do it. I know how difficult—and I have a very healthy association, and I'm very privileged to have that. But thinking of parties like yours, and I'm just being a realist, and knowing in my own riding the commitment that those folks make and the limited time, would that create even—although we want that transparency, and I'm all for it, but would that create a bigger impact on you than there would be?

Mr. Mike Schreiner: Right.

Mr. Lou Rinaldi: Okay.

Mr. Mike Schreiner: If I could direct that to the elections officer, Mr. Essensa.

Interjection: Chief.

Mr. Mike Schreiner: Yes, chief. I forgot the word “chief.” Sorry. My understanding is, the Green Party, as far I know, has been pretty successful in meeting our real-time disclosure requirements. Has it been a problem for other smaller parties?

Mr. Greg Essensa: Real-time disclosure, as I indicated yesterday—we are the only province in Canada that does real-time disclosure.

Mr. Mike Schreiner: Exactly.

Mr. Greg Essensa: The current provisions around that are that once a contribution is made, the party or constituency association has 10 days to get it to us.

Mr. Mike Schreiner: Yes, exactly.

Mr. Greg Essensa: We then have an internal policy that takes us upwards of 10 days. I would say that, for the most part, it is fairly well done. There are some outliers where there are some challenges, no question, and sometimes that has created some issues for us in getting that information in as timely and real-time a fashion as possible. I think with some of the advancements in technology that we’ll be introducing in the coming years, we’re hoping to speed up that process, but I would suggest to the committee that it has been a little bit challenging, particularly for some of the smaller parties.

Mr. Mike Schreiner: Yes, and I think—and I’ll have to ask my helpers/volunteers here—we’ve been pretty good. I think we’ve met all the requirements. So the answer to your question, just in terms of our own experience, is that it has worked, but I can’t comment on some of the other parties that are smaller than ours, because we do have enough machinery in place, so to speak, to fulfill the requirements.

Mr. Lou Rinaldi: Thank you.

The Chair (Mr. Grant Crack): Further discussion? Ms. Fife.

Ms. Catherine Fife: Not on this; it has to do with tomorrow. The Clerk just approached me about—I understand that the PC Party is having difficulty finding someone for Wednesday, but can find somebody for Thursday. I do want to move a motion, so actually I should ask for a five-minute recess.

The Chair (Mr. Grant Crack): That’s in order. If I could finish, please, I would just like to thank Mr. Mike Schreiner for coming before committee this afternoon and sharing his thoughts. It’s much appreciated.

Mr. Mike Schreiner: I appreciate the time and the excellent questions. Thank you.

The Chair (Mr. Grant Crack): Thank you. There has been a request for a five-minute recess—

Mr. Mike Colle: Let’s make it 10.

Ms. Catherine Fife: Let’s make it five, because—

The Chair (Mr. Grant Crack): I have one at five and one at 10. A five-minute recess.

The committee recessed from 1541 to 1550.

The Chair (Mr. Grant Crack): I’d like to call the Standing Committee on General Government back to order.

There was a request for a recess in order for the NDP, Ms. Fife, to prepare a motion, but in the meantime, there has been an order from the House that was passed that authorizes the official opposition and the third party the ability to call their preferred witness at any time that the committee sits. Therefore, you have the prerogative to do what you need to do in order to have both of your witnesses come forward either tomorrow and/or Thursday, if that makes sense.

Mr. Rinaldi?

Mr. Lou Rinaldi: Chair, just for clarification: All they really did in the House was to allow the PCs and the NDP to switch their day that they’re going to present somebody?

Ms. Catherine Fife: It’s actually not a switch. It was not a switch.

Mr. Lou Rinaldi: Sorry? Chair?

The Chair (Mr. Grant Crack): We’re waiting on a copy of the exact motion that was passed, but from my understanding, it allows the two parties, the official opposition and the third party, the NDP, to call their witnesses at any time that the committee sits, which is authorized to meet, and in essence would allow a change to take place indirectly. We’ll wait to see what happens.

Mr. Lou Rinaldi: If I may?

The Chair (Mr. Grant Crack): Mr. Rinaldi.

Mr. Lou Rinaldi: For clarification: Is that just for the hearing process?

The Chair (Mr. Grant Crack): Yes. I will wait until tomorrow. If either party does not call a witness for tomorrow’s meeting, then I will notify, through the Clerk, that the meetings will be cancelled.

Mr. Lou Rinaldi: What time frame do we have for that?

The Chair (Mr. Grant Crack): I’ll use my judgment at this particular time. I want it to be fair that the other parties have an opportunity to be able to prepare themselves for the individual who would be coming forward. If it’s a last-minute thing, I don’t think that that would be fair and appropriate.

Mr. Mike Colle: We’ll leave it up to your good judgment.

The Chair (Mr. Grant Crack): If there are individuals coming forward, I would ask that they come forward to the Clerk’s office as soon possible.

There being no further business, I’m sad to say it, but this meeting is recessed until 6:45.

The committee recessed from 1553 to 1846.

The Chair (Mr. Grant Crack): Good evening, everyone. I’d like to call the Standing Committee on General Government to order this evening after a recess from this afternoon. I’d like to welcome all members of the committee, members’ support staff, the Clerk’s office, Hansard, legislative research and our Chief Electoral Officer, Mr. Essensa, who is with us this evening.

We have four delegations coming before us to speak on Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007.

Without further ado, I would like to say that the presenters have up to 10 minutes for their presentation,

followed by up to 15 minutes of informal discussion, questions and comments from the three parties. I would just ask that all members of the committee not take up the entire 15 minutes. I'll try to have a balanced approach from the three parties, utilizing those 15 minutes.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Mr. Grant Crack): It gives me great pleasure to welcome, from the Ontario Public Service Employees Union, President Warren Smokey Thomas, who is with us this evening. We welcome you, sir. You have 10 minutes for your presentation. If you would like to introduce your guests as well, that would be much appreciated.

Mr. Smokey Thomas: Clarke Eaton is a special assistant to my office, to myself.

Good evening. I'm Smokey Thomas, president of the Ontario Public Service Employees Union. It's great to be here to talk about Bill 201 and the changes the government has proposed to election financing and political communication in this province. On behalf of the 130,000 OPSEU members working and living in every community in this province, I want to say thank you for the invitation and thank you for the time allotted for my presentation and the questions I hope you'll have.

As a free and democratic union that exists and operates within a framework defined by legislation and as an organization whose members' livelihoods depend largely on public funding for public services, OPSEU is deeply interested in public policy and the way our elected representatives are chosen. We are very concerned about the role of what I'll call "big money" in provincial politics. I don't think there is an organization in this province that has spent more time than we have trying to expose the links that connect politicians to corporate interests and vice versa.

Those Ontarians who care to see what is happening are witnessing the greatest robbery in Ontario history. Through the sale of public assets like Hydro One, through the use of public-private partnerships to build infrastructure, through contracting out of front-line public services and through other methods, a massive transfer of wealth is happening in Ontario today. It is a transfer of wealth from public hands to private ones. It is legalized larceny, and as such, it is profoundly undemocratic.

Six days ago, CBC News reported that GreenField Specialty Alcohols, a company that has received more than \$163 million in subsidies from the provincial government in the last decade, has donated \$480,000 to the Ontario Liberal Party over that time. That's incredible.

There is something wrong in Ontario. Not everything that is wrong can be fixed by changing the way political campaigns and political communication are financed and regulated in this province, but Bill 201 is a start, and we welcome it.

Bill 201 is an opportunity to talk not just about election financing, but also more broadly about democracy

itself. Democracy was invented as a counterweight to entrenched power, economic power especially, and I hope you will remember that in this debate, because so were trade unions.

I want to talk specifically about the key points in Bill 201 and then add a few ideas about what is not in the bill that we think should be. First, Bill 201 proposes the banning of corporate and union donations. On the face of it, all unions should be in favour of this. As far as I can see, corporations are outspending unions by a significant margin when it comes to political donations. So for us, the banning of corporate and union donations corrects the current imbalance and is an improvement.

But when it comes to third-party advertising, I think we're getting into different territory. The bill proposes to limit third-party advertising to \$100,000 per organization during a general election, and \$600,000 in the six months prior to the election being called. This is problematic.

OPSEU has never been part of the Working Families coalition—but we have shared polling and research with them—which has spent a lot of money opposing past Tory leaders to the benefit of the Liberals on election day. Nonetheless, we speak out frequently on a wide variety of issues and do spend money on advertising with respect to these issues.

Do we think provincial and demonstration schools that provide fabulous education to special-needs children should be kept open, not closed? Yes, we do.

Do we think ServiceOntario offices in communities like Terrace Bay, Milton and Embrun should be kept open, not closed? Yes, we do.

Do we think Bay Street bankers, corporate lawyers, construction bosses and Liberal party operatives who make up the privatization industry in Ontario are ripping off the people who fund their activities through their taxes? Yes, we do, and we're not afraid to say so.

I note that the limitations on third-party political communication in Bill 201 do not apply to all third parties equally. There is one group of corporations that is, as it appears, exempt, and that is the news media. In the definition section, Bill 201 specifically stipulates that "the transmission to the public of an editorial, a debate, a speech, an interview, a column, a letter, a commentary or news" does not qualify as political advertising. That's fine; we all support freedom of the press. But in doing so, we should ask ourselves why news corporations should be exempt from the rules for third-party political communication contained in Bill 201.

The news industry today is increasingly concentrated in fewer and fewer hands. To view Postmedia or TorStar as anything but corporations is naive. The political communication they do is little different from the political communication that OPSEU does. They just happen to own the means of communication.

The automatic exemption of media corporations from rules related to political communication needs to be examined. Why would we support it? In my view, there can only be one reason: that despite their political biases, sometimes overt, sometimes transmitted through editorial

choices that are invisible to most, we regard these media giants as organs of democracy. I don't object to that, but if freedom of political communication only applies to those who own the presses, we have a problem, especially when political communication by the most democratic, independent organizations in society is censored by law. I'm talking, of course, about unions.

Imagine: OPSEU spends \$1.3 million calling for proper funding for our public hospitals. For us, that's \$10 per member. The fact that we're able to empower those 130,000 members to speak up is an asset to our democracy, and yet, under Bill 201, it is seen as a detriment. I do not understand that.

Democratic organizations should not be barred from communicating about politics any more than news organizations should be. Both are vital to the functioning of political life in this province. They should be encouraged, not repressed. The point of reforming political finance should be to make the voices of people louder than the voice of money. Bill 201 isn't doing that.

Bill 201 falls down when it comes to contribution limits. Of my 130,000 members, I don't think more than a handful could ever afford to donate \$1,550 to a party or a candidate. For a person who makes \$40,000 or \$50,000 a year, a more realistic limit would definitely be less than \$100. If you look at the Bernie Sanders campaign in the US, it's easy to see that a major campaign can be financed with average donations that are much lower than that. With a contribution limit of \$1,550, big money still plays a big role in elections. I would lower it dramatically.

The idea of quarterly payments to political parties is another initiative in Bill 201 that I cannot support. The main reason for this is simple: If I voted for a party in 2014 but find I despise that party in 2016, why should I be forced to donate my public dollars to that same party in 2018 so it can compete against the party I now support?

Make no mistake about it, dollars are votes and we should treat them as such. The simplest idea might just be to allow every Ontarian to allocate \$10 per year to the party of his or her choice, paid for by the government, and ban all other donations entirely. I would love to see that debated here. You could tick it off in your income tax. That would certainly cause parties to tailor their policies to more Ontarians. I think I'm seeing a disturbing tendency in all parties to aim their campaigns only at people who will vote. With real money at stake and no other way to get it, we might actually see parties mobilize to reach people who normally feel excluded from the political process. You might actually boost participation, which should be the goal of all election legislation, whether it relates to financing or not.

On a final point, Bill 201 proposes a small change to the wording around the publication of public opinion polls on election day. The bill maintains the current ban, but really, what it should do is extend it. If we already know that the publication of opinion polls has an undue influence on voting behavior on election day, why not limit the publication of polls even further?

I would support extending the ban on the publication of polls to two weeks before e-day. Just imagine what election campaigns might be about if it became impossible for news outlets to turn them into horse races. I think it could only enhance the quality of democratic debate.

I want to thank you again for inviting me to be here on behalf of my members, and I would be happy to take any questions.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Thomas, for your presentation. We'll start with Mr. Rinaldi.

Mr. Lou Rinaldi: Thank you, Smokey, if I can refer to you like that. It's how we know you best.

A couple of things that I want to explore from your presentation or that have come to this committee already—the piece about paid volunteers to help on campaigns, sometimes through unions or through other businesses. Right now in the bill, there's no provision to count that as a contribution. That includes mailing or dropping off literature. This is just to get your opinion. Should that be considered as part of an election expense?

Mr. Smokey Thomas: Yes, I believe it should.

Mr. Lou Rinaldi: Just to follow up on that, and then I'm done. The federal—

Mr. Randy Hillier: Could you speak up a little bit? I'm having trouble hearing.

Mr. Lou Rinaldi: Oh, I'm sorry. We know that the federal folks reformed their election financing rules and they banned corporate and union donations. Just today, we passed third reading on Bill 181, which I know you were at committee for a couple of weeks ago with the same process. Do you feel that the province should do the same thing? Should the province, though this piece of legislation, which we've indicated we're proposing to do—do you support that as well?

Mr. Smokey Thomas: You mean make it like the municipal one?

Mr. Lou Rinaldi: The federal one is already in place. Municipal: We've banned corporate and union donations. Should the province follow suit with this piece of legislation?

Mr. Smokey Thomas: Yes.

Mr. Lou Rinaldi: Thank you.

The Chair (Mr. Grant Crack): Ms. Lalonde, and then Mr. Hillier.

Mrs. Marie-France Lalonde: Thank you very much, Mr. Thomas, for being here. I certainly appreciate you taking the time. Yesterday, we had some significant discussion about the fact that Bill 201 does not explicitly prevent unions or corporations from sending paid employees to work on campaigns and be compensated. Is this a practice that your organization has previously participated in, and how should this actually be addressed in this proposed legislation?

Mr. Smokey Thomas: No, we've done book-offs in the past for some Liberals, a couple of Tories over the years and the NDP. We've done it. I think you should have to count it in when you're doing your tallying up of what you've got.

Mrs. Marie-France Lalonde: Thank you very much.
1900

The Chair (Mr. Grant Crack): Mr. Hillier?

Mr. Randy Hillier: It's nice to hear that you think that should be included in the contributions.

Just to correct the record here, I see the story from Mike Crawley from the CBC, when they listed the top five donors over the last couple of years. The biggest donor to the Liberal Party has been the United Association, the plumbers and pipefitters, at \$491,000, followed by the United Brotherhood of Carpenters and Joiners at \$484,000, and then we get into some of the other big-time corporate donors like GreenField at \$266,000. I think we can safely say there's significant involvement from both corporate and union donations, although, in the aggregate, the corporate world donates more.

I want to ask, Smokey, in your experience and in your time as head of OPSEU, what do you view the relationship is between political donations and expectations, and not specifically with OPSEU, but in your breadth of knowledge of how political donations work and what the expectation is from donors and recipients?

Mr. Smokey Thomas: My belief, based on what I've seen over the years, would be that there is a direct relationship—maybe not one that's criminal, but certainly it can be described as who you know and who owes you a favour down the road. All three parties, I think, could fall prey to that, but I think some of this might take that away.

Mr. Randy Hillier: Right. So legislation or public policy is influenced, in your view, by the amount or the extent of donations, in a broad-stroke statement?

Mr. Smokey Thomas: Yes, certainly, the perception—my members believe that. I heard that loud and clear from the activist base at convention.

Mr. Randy Hillier: Okay. Maybe I'll just ask one more question. OPSEU is not part of Working Families, but we know that Working Families is a significant player in third-party advertising. I just want to get your view as to why OPSEU wasn't involved—many other public sector and private trade unions were involved—and if you think that's a healthy relationship between Working Families and their third-party advocacy.

Mr. Smokey Thomas: My union is non-partisan in theory. Many of the activist base belong to the NDP. Indeed, I have four board members who sit on NDP executive committees. I do not hold a political card in my pocket. I agree with many of you on many things and I disagree with all three parties on some things, so I am agnostic. My union is as well. We've debated it twice at convention—direct affiliation to the NDP—and twice it was narrowly defeated. So there is a sense among the activist base that we should be partisan. I don't share that view and the majority of people at convention don't share it. I guess—

Mr. Randy Hillier: So by deduction, could we say that you don't see that same level of independence in the relationship with Working Families or that non-partisanship—

Mr. Smokey Thomas: I think you could see that anywhere. Whether any organization came right out and supported a political party, I can't imagine—if I did, I'd expect at least access down the road, or “You're going to hear me out.”

One of the other reasons that we don't do it, Randy, is that whoever gets elected becomes the boss of my members, and I don't want to be—you know, we had the NDP in power once under Bob Rae, who, it turned out, was a Liberal. That didn't work out so well. But it caused great consternation in the labour movement back in those times. It was a heck of a fight. I was directly involved in that and I made a lot of enemies, let me tell you.

Mr. Randy Hillier: I respect that position. I think that's a healthy and reasonable position.

I'll leave it at that, Chair.

The Chair (Mr. Grant Crack): Any further questions or comments? Ms. Fife.

Ms. Catherine Fife: Thank you very much for being here, Smokey and Mr. Eaton. The views that you've expressed to us have been sort of paralleled by the electoral officer, who just yesterday gave a presentation to us. Specifically, on page 2 of your report, you reference your concerns around, really, citizen groups or advocacy groups or policy-issue groups having their ability to weigh in on government policy. As Bill 201 is crafted, by the Premier of this province, Bill 201 prevents and limits and restricts the voices of citizens, including your own members, from weighing in on issues, just as you point out, around provincial and demonstration schools, around ServiceOntario offices, around autism, around health care and around climate change.

We were very encouraged to see that the electoral officer for the province of Ontario said he recommended that the definition of “political advertising” proposed in the bill apply only during writ periods—in other words, that it not apply to that six-month period preceding the call of a scheduled general election—so that voices of Ontarians, union members, corporations and private businesses be heard.

Do you want to comment on that, please?

Mr. Smokey Thomas: Yes. I don't know how this is all going to shake out. It's a very difficult task you will have ahead of you. But if you try and stifle democratic debate, that's when you sink into anarchy; you're into protest and violent protest.

There's a tremendous amount of anger out there in the public right now. For example, if you try to silence the demonstration schools, I would venture to guess that those parents would defy the law. I would support them completely and probably volunteer to pay their lawyer bills. They should defy a law like that, because it's undemocratic.

In my mind, you have to be somehow able to craft that so that you cannot stifle open public debate. There's no money changing hands here to say, “I want to have an opinion. I want to write a letter to the editor. I want to do a protest.” How does that advantage any party? It might disadvantage one, but it wouldn't necessarily advantage anybody.

Ms. Catherine Fife: Would you like to comment also on the fact that just this last weekend, there were advertisements around the new climate change plan. The Auditor General, to her credit, weighed in on this and said this is clearly partisan advertising, and that if the law had not been changed under the Government Advertising Act of June 2015, she would have ruled this completely as an illegal advertisement.

Yet we have this piece, on this side of the table, in the committee, and you have us saying, "Let's not limit the voices of citizens in the province of Ontario," and those voices obviously include unions.

Do you want to comment on that, please?

Mr. Smokey Thomas: If the rules are changed the way they changed the rules already, and if they could change them the way they want to this time, the biggest lobby group of all will be the government, with taxpayer money, so that would be wrong.

I watched that David Suzuki ad. I found it offensive. I don't like the guy, to start with. I'm an environmentalist. I've met him. I don't like him, and he knows I don't like him—

Ms. Catherine Fife: Regardless if you like him or not—

Interjections.

Ms. Catherine Fife: Okay, Smokey?

Mr. Smokey Thomas: Yes.

Ms. Catherine Fife: You paid for it.

Mr. Smokey Thomas: Yes. That's what I resent.

Ms. Catherine Fife: You paid for a plan—

Mr. Smokey Thomas: Yes.

Ms. Catherine Fife: You paid for an advertisement for a climate change plan that has not been released yet. It's going to be released tomorrow morning. It has already been leaked twice. But you've been told, as a taxpayer of the Ontario citizenship, that it's a really great plan and the government is doing a great job, and you paid for that.

Mr. Smokey Thomas: Last time I had heard, that was George Smitherman trying to pitch me on the LHINs before he would say what they were.

Ms. Catherine Fife: Yes, and look how well that worked,

Mr. Smokey Thomas: It was wrong then and it's still wrong now.

Ms. Catherine Fife: I'm pleased, though, that you have come today, because the electoral officer actually has set the tone for this debate. His recommendation is that the government not be allowed to do this. His recommendation is that we find that balance between issue, policy and advocacy, which we need to do, and that's an important job that this committee is set to do.

This committee, obviously, though, is—there's a New Democrat—a good New Democrat, I might say—and then there are two Conservatives and then there's a majority of government—

Mr. Smokey Thomas: They're good Conservatives.

Mr. Randy Hillier: Good Conservatives.

Ms. Catherine Fife: Good Conservatives.

Can you speak to this process? Because for us, process matters. Process and legislation matter. Would you please comment on this process that is before you? Do you think it is a fair and democratic process?

Mr. Smokey Thomas: No, not the way it's structured right now. I think the independent officers of the Legislature should never be interfered with. I'm happy to see that he's here—and I'm happy I agree with you on some things.

Ms. Catherine Fife: We are relying heavily on this electoral officer to be unhindered, if you will, in his—the recommendations, though, that he has already made yesterday are in the best interests of the people of this province. We are calling on the government to adhere to those recommendations, which adhere to your policy recommendations as well. Thank you very much for being here.

1910

The Chair (Mr. Grant Crack): Thank you very much.

We have a comment from Mr. Hillier. We have about two minutes left, and Mr. Colle wanted to speak as well.

Mr. Randy Hillier: My comment is nice and simple: If the committee requests, Smokey, would you be willing and able to come back to have further discussions with this committee on this bill this summer?

Mr. Smokey Thomas: I absolutely would. I'd welcome that, actually.

Mr. Randy Hillier: Thank you.

The Chair (Mr. Grant Crack): We just have under two minutes. Mr. Colle.

Mr. Mike Colle: Yes, thank you. As you know, we do have the independent officer here as part of this committee within his own parameters. I think we all agree that that's a very helpful step that is part of this process, which I think is democratic, but, as you know, democracy is not perfect.

The question I have is, though—I think you made a very interesting point that I've not seen made before. That is, that you talk about corporate media and how there are no limits at all on their participation in the democratic process. It seems everyone else will have limits on their participation, but yet we're not allowed to talk about the biggest elephant in the room, which is constantly promoting and advertising all kinds of causes that they find noble. There's no restrictions on them whatsoever.

Mr. Randy Hillier: I think we should restrict the CBC as well.

Mr. Smokey Thomas: Well, they should all be. Here's why I say that. Whether you're the Toronto Sun, constantly after the Liberals, or the Globe, constantly after anybody else, I don't know where this line would be drawn or what the boundaries are. But there is a profound difference between the abuse of influence and power—which I do think the media gets to do; I'm not saying they always do, but I've seen what I would believe to be examples of that—and then what is reasonable public debate.

These companies now, about two or three companies, own almost every newspaper in this province. That's tremendously aggregated. There's a lot of power in the hands of very few people, so those editorial boards are very, very powerful. I can tell you right now, all the small newspapers—I live in Kingston, and there are hardly any full-timers. There's no editorial board at the Whig anymore, so they just get—what are they, Sun or Post? They just get all their stuff from Toronto.

To me, it's really problematic, and we intend to provoke that debate with the media. I've been known to scrap with a couple of them now and again. I think that they should be engaged in this conversation. We're going to do our best to make sure they engage in it.

The Chair (Mr. Grant Crack): We are out of time. I'd like to thank Mr. Thomas and Mr. Eaton for coming before committee this evening. We appreciate it.

PROVINCIAL BUILDING
AND CONSTRUCTION TRADES
COUNCIL OF ONTARIO
WORKING FAMILIES

The Chair (Mr. Grant Crack): Next on the agenda, from the Provincial Building and Construction Trades Council of Ontario, we have Mr. Pat Dillon, business manager and spokesperson for Working Families. I believe we have Mr. Hogarth, president and business manager from the Ontario Pipe Trades Council and also Mr. Paul Cavalluzzo, chief counsel of Working Families. Am I correct? I think I got all three. Excellent.

We welcome the three of you. Welcome, Mr. Dillon. You have 10 minutes for your presentation.

Mr. Patrick Dillon: Honourable committee members, thank you very much for the opportunity to hear our views on the proposed legislation this evening. My name is Patrick Dillon. I am the spokesperson for Working Families, and also the business manager of the Provincial Building and Construction Trades Council of Ontario, an organization that represents 150,000 construction workers in this province.

Accompanying me this evening is James Hogarth, president of the Provincial Building Trades Council and also the business manager of the Ontario Pipe Trades Council. On my right is Mr. Paul Cavalluzzo, chief counsel to Working Families. We are here to comment on Bill 201, also known as the Election Finances Statute Law Amendment Act, 2016.

As you may be aware, Working Families is a registered third-party organization that has engaged Ontario's citizens through political advertising both within and outside of election periods during the 2003, 2007, 2011 and 2014 provincial elections. Over the years, we have mounted television, radio, newspaper, Internet, and social media campaigns to convey the concerns of working families to the electorate, with the aim of exposing objectionable anti-union policy prescriptions that, had they been implemented, would seriously have hurt the working class.

As honourable members of this committee can attest, there is no shortage of challenges faced by working people in this province who are trying to make ends meet and raise their families in an economic climate dominated by precariousness and uncertainty. We have had experiences over the years dealing with various threats to workers' ability to organize, bargain collectively and retain an independent voice, which is why we strive to have that voice heard meaningfully within the realms of public discourse. I would especially stress that Working Families was born as a response to damaging policies inspired by supply-side economic thinking and anti-worker sentiments that in years past were embraced by the Ontario PC Party, whether in government or in opposition.

Having said that, Working Families does not oppose the Ontario PC Party as such, or any other political party, for that matter. We do, however, oppose regressive ideological positions which have the potential to evolve into official policies that solely benefit corporate interests at the expense of the workforce. The overwhelming majority of Ontario's citizens work hard to earn a living, and they deserve basic standards of safety, training, fair wages and respect in the workplace. In that sense, Working Families exists insofar as the anti-worker threat to undercut workplace rights in Ontario receives a plausible chance of winning power. We are political, but non-partisan.

Bill 201 proposes the setting of limits on what a third party can spend on political advertising during an election period, as well as setting limits on what a third party can spend in the six months before an election period. These proposals are far more restrictive than the rules we currently have at the federal level. We disagree with these proposals in the legislation on the grounds that they restrict free expression, something that must be protected—not restricted—in an open and democratic society, especially when deciding who to elect, and therefore entrust, with leading not just our provincial government but also the opposition, charged with the important task of scrutinizing the government of the day. We believe that the restrictions in Bill 201 fundamentally contravene the Charter of Rights and Freedoms and that political speech, such as political advertising, is the single most important and protected type of expression. In the Supreme Court of Canada's view, it lies at the core of guaranteed free expression. As long ago as 1938, the court stated, "The right of the people to discuss and debate ideas forms the very foundation of democracy."

As a third party, we certainly don't necessarily expect all Ontarians to agree with or act upon our message. However, we do see value in enabling workers—and citizens, more generally—to have a voice and to stake out positions via mass media on issues of common concern, including in the political realm. By no means do we believe that political parties alone should have a monopoly on political discourse, and we believe that most Ontarians in the general public share that conviction. By imposing limits on third-party advertising

during and outside of an election period, Bill 201 essentially enables political parties, at the expense of civil society, to have a greater say on issues of concern to public policy. We find this very, very troubling.

With all due respect to the intent of the political parties, many times, in the view of workers, governments and the opposition have simply gotten it wrong. We have the right under the charter to voice our opinions in a way that is unimpeded by politicians or anyone else. The proliferation of diverse views expressed by organizations like Working Families and others is a positive addition to the overall discourse of provincial politics, and all Ontarians are enriched by such views. Freedom of expression not only benefits the speakers; it also benefits listeners by exposing them to multiple perspectives, which in turn encourages them to think critically about their own beliefs so that voters can make more informed decisions at the ballot box.

1920

On another note, we are quite concerned that there has been no empirical research provided by the government outlining a demonstrable need for the restrictions in this legislation. We would like to see more concrete evidence, which the government is relying upon, in determining a substantial need for these restrictions, and whether the limits adopted are a proportionate response. Any proposal should be subjected to broader consultations with civil society, including organized labour, before decisions are made to amend the current act.

We absolutely believe in having regulations and rules that govern the conduct of political parties and of third parties. Organizing an election is a serious matter. Rules must be in place to ensure that citizens have the capacity, through political parties and other avenues of collective action, to organize themselves freely and to broadcast their point of view. If passed, this legislation will restrict that ability.

In conclusion, it is our view that Bill 201 is of questionable constitutional validity and that the third-party spending limits go beyond the federal law, which itself was narrowly upheld by the Supreme Court of Canada. We therefore strongly encourage this committee and the government to re-examine the content of this bill and to take out the restrictions on third-party advertising, so that our democracy remains strong, vibrant, and welcoming to all voices for the betterment of Ontario.

Thank you very much for your time and attention. We would be open to questions.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Dillon. We shall go in the order of Ms. Hoggarth, Ms. Lalonde, Mr. Hillier, Ms. Fife. Ms. Hoggarth?

Ms. Ann Hoggarth: Thank you, Mr. Dillon, for your presentation. As a former teacher and union leader, I respect the power that we have at the table here.

Just to let you know, I don't think we're related, Mr. Hoggarth.

Mr. James Hoggarth: My name is spelled with one G.

Ms. Ann Hoggarth: That's right. My husband's relative did have it changed.

The government is taking steps to strengthen enforcement mechanisms in the Election Finances Act. Everyone at this table believes that our democracy works best when there's a level playing field. To help provide that even playing field, based on federal election rules—which is implementing a penalty of five times for overspending for organizations that do not comply with the spending limit. Do you think these penalties are strong enough to deter overspending, or do they need to be strengthened?

Mr. Patrick Dillon: Quite frankly, I haven't experienced an overspending scenario. I don't know of any scenario in Ontario where overspending has taken place, so I can't really comment on that.

I think there is some truth to the point that a number of people have made that we live in the best province in the best country in the world. If there's any truth to that, what number are we trying to get to by making the changes? I'm not saying that the system can't be tweaked a bit to make it stronger, but I think this is a going-over-the-top revolutionary rather than evolutionary move in politics.

Ms. Ann Hoggarth: One of the things that I was surprised about—and I think it was the Chief Electoral Officer who told us: In regard to by-elections in 2012, we saw that registered third parties were responsible for 61% of all campaign expenses. Do specific by-election rules need to be put in place to further even the playing field?

Mr. Patrick Dillon: I don't know what numbers the Chief Electoral Officer is actually referring to.

I can say, and I've said in my comments here earlier tonight, that Working Families is a totally non-partisan organization and was not involved, ever, in any partisan advertisement in any election in the writ period or outside the writ period. I've been in front of Elections Ontario on that very point.

Ms. Ann Hoggarth: Part of the government's plan to transform our government's finance system is to implement third-party advertising limits. This will help to ensure that no one is able to monopolize the discussion of important policy issues in the lead-up and during an election. Bill 201 seeks to implement a spending limit on third-party election advertising of \$100,000 and \$600,000 in the six months preceding a scheduled election. Bill 201 also imposes pre-writ limits on political party advertising in addition to the existing election limits.

With regard to the third-party advertising limits, are these amounts too high, too low, what should they be changed to, and what information do you have to support this?

Mr. Patrick Dillon: I would ask the question back to you and this committee: What information does the government have for changing it in the first place?

Ms. Ann Hoggarth: Thank you very much.

The Chair (Mr. Grant Crack): Thank you. Ms. Lalonde.

Mr. Randy Hillier: Thank you for being here tonight—

The Chair (Mr. Grant Crack): No, Ms. Lalonde, and then you, and then Madame Fife.

Mr. Patrick Dillon: Be patient.

Mrs. Marie-France Lalonde: Gentlemen, I want to say good evening and thank you for joining us again tonight.

When I think about Ontario and the steps that we're taking right now to, what we would say, even the playing field by limiting the role of what we've discussed, which is third parties in elections, I think Bill 201 will accomplish this by taking some important steps towards the amount that third parties advertise with during an election. But there is a certain component where, if I may say, certainly in the descriptive, they are not included in that cap. I want you to comment on those. I'll say that transmission to the public in an editorial, in the news or in op eds, mailings to union members or company employees and making phone calls, allows day-to-day political operation and advocacy.

I'm going to ask you: Should the proposed bill make these very specific activities subject to spending limits to further even the playing field, and if not, why?

Mr. Patrick Dillon: Well, I guess you and I, and maybe me and most of the committee, might have a different view of what levelling the playing field is. The way I read the outcomes for Bill 201 is that it will not level the playing field for the people of the general public and third-party organizations like Working Families; it will put the lion's share of the political process into the hands of the politicians and out of the hands of the general public. So we really have a problem with that.

Mrs. Marie-France Lalonde: Can I just—

The Chair (Mr. Grant Crack): Yes, but I'm just trying to be fair as well, because there are still two others and we're over.

Mrs. Marie-France Lalonde: Okay, sorry.

The Chair (Mr. Grant Crack): I'll try to come back. Mr. Hillier.

Mr. Randy Hillier: Thanks for being here tonight. Listen, I wasn't quite prepared for the cataclysmic revelation and epiphany that Working Families is non-partisan and that they do not oppose the PC Party. I guess I was still in the historical context and the historical experience of Working Families. I'm glad to hear that you're no longer partisan and that you don't oppose the Conservative Party.

But listen, in all honesty here, as we heard from the Chief Electoral Officer yesterday, there is a wildly disproportionate amount of third-party advertising dollars spent in this province on provincial elections as compared to any other provincial jurisdiction and in the federal elections. I think third-party advertising is greater than all political parties combined. Then at the crux of that, Working Families is and has been the single largest player in third-party advertising. So if there's any discussion about the playing field, we need to be hearing from the people more at the bottom of that, not the behemoth who's involved in third-party advertising.

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But I want to put this question to you, Mr. Dillon. You said that Working Families is about conveying concerns

and being heard in a meaningful fashion. Just what does that mean? What do you mean by "meaningful fashion"? We see that the members of Working Families are the largest contributors to the Liberal Party. We see that you are the largest players in third-party advertising. What is it that you are expecting out of this "being heard in a meaningful fashion" that this committee can understand? What is it that you're looking at that all this money you spend is going to buy you?

Mr. Patrick Dillon: I could see you having some real concern about Working Families, if your comments were actually accurate. But the fact of the matter is, from the start—and Elections Ontario has played a role in this with your party, which asked for an investigation of Working Families. It came back that Working Families was not a partisan organization. So we need to clear that. I understand, if you believed that it was, that we were accused—well, the optics. You know what—

Mr. Randy Hillier: No, I think you were accused of being in a relationship with the Liberal Party.

Mr. Patrick Dillon: No. There has never been a contribution from Working Families to any political party, ever.

Mr. Randy Hillier: But your members have.

Mr. Patrick Dillon: Nor have we ever endorsed a political party, ever. You need to understand that to objectively ask questions of Working Families. You made a comment about contributing to the Liberal Party, which has never happened. So it's tough for us—

Mr. Randy Hillier: The members of Working Families, I said.

Mr. Patrick Dillon: Pardon?

Mr. Randy Hillier: I said the members of Working Families.

Mr. Patrick Dillon: Not of Working Families. Maybe other organizations have contributed to different political parties, but not Working Families. I want to say one thing about—

Mr. Randy Hillier: So how about I give you the question—

Mr. Patrick Dillon: Let me just finish on the Working Families thing. We have been accosted by your party, in particular, and never about the message—

Mr. Randy Hillier: Not physically.

Mr. Patrick Dillon: No, that's elbows. We use that. It was never about the message; it was always the messenger. If you look at the amount of money that Working Families has invested in third-party advertising in any one of the elections, we would represent 1.5 million to two million workers in the collecting of that money. It works out to like \$2.50 a head. You'd be okay with your corporate friends—

Mr. Randy Hillier: What about my question? What sort of "being heard in a meaningful fashion" are you expecting that this money will buy you? What is it that you're looking to be heard and what is the tangible outcome?

Mr. Patrick Dillon: Okay. The real basics of what we want to be heard on is when we have a political party that

in their election platform has policies of what they can do to people, not for people, this is of grave concern to Working Families. We will not stand back and let that happen without exposing that to the general public.

Mr. Randy Hillier: Okay, but Working Families doesn't exist just in the writ period; it's an entity that exists, a coalition that exists all the time. The expenditures, the money that you're spending: What is it that you're looking to get from the government outside of the writ period?

Mr. Patrick Dillon: Absolutely nothing from the government.

Mr. Randy Hillier: You're not looking for any change in legislation?

Mr. Patrick Dillon: We're looking to expose the political party that's advertising what they can do to us. We're wanting to expose that to the general public so that doesn't happen to us.

Mr. Randy Hillier: So your affiliate organizations are not looking for any changes in legislation? You're not looking for any changes in public policy? You're not looking for carding, for, on labour initiatives, collective bargaining rights? You're not looking for any of that?

Mr. Patrick Dillon: No.

Mr. Randy Hillier: You're just saintly.

Interjections.

The Chair (Mr. Grant Crack): Sorry, I didn't understand the word you said.

Mr. Randy Hillier: Saintly.

The Chair (Mr. Grant Crack): Saintly.

Mr. Patrick Dillon: Talking about saints is difficult for him.

The Chair (Mr. Grant Crack): All right. Thank you very much.

Ms. Fife?

Ms. Catherine Fife: Thank you for coming today. We have a huge challenge before us as a committee. I'm sure you will understand that.

The electoral officer has referenced that we are trying to level the playing field in the province of Ontario. He also asked us, in his deputation yesterday, to put the elector at the centre. Yet we are dealing with very unlevel playing fields already in the province of Ontario, particularly around government advertising. The province has changed the rules of engagement—they did so last June—around what constitutes a partisan advertisement and what does not.

The electoral officer has, to his credit, recommended that the definition of political advertising proposed in the bill apply only during writ periods. Because as the bill is crafted right now, people, prior to the six months, will not be able to either demonstrate their support for the government or their opposition to the government, and yet the government has unfettered access to radio and TV, to advertising, and the taxpayers of the province are paying for that.

I'd like to give you an opportunity—because in this context, you have been criticized for voicing your opinions on any number of issues, from public health care to

child care to workers' safety. Can you please comment on the reality that the people of this province face around government advertising?

Mr. Patrick Dillon: I'll let Paul take that comment.

Ms. Catherine Fife: Thank you, Paul.

Mr. Paul Cavalluzzo: I've got grave constitutional concerns—

Ms. Catherine Fife: Constitutional?

Mr. Paul Cavalluzzo:—constitutional concerns with this bill. As you know, the federal legislation does not regulate third-party advertising outside of the writ period. That federal legislation was reviewed by the Supreme Court of Canada in 2004 in the Harper case. One of the reasons why that legislation was narrowly upheld was that third-party spending was not regulated outside of the writ period. That was the key reason why that legislation was upheld. It was a 6-3 decision.

My own view—and I've practised constitutional law for many years—is that this legislation is dangerously close to, if not being unconstitutional.

In terms of what a constitutional bill should be, first of all, you should be relying on empirical evidence to demonstrate that there is a need for this kind of change. Secondly, in order to implement any kind of legislative purpose, it has to be a bill that minimally impairs freedom of speech.

We are talking here of political speech, which lies at the core of freedom of expression. We have a bill here which says that for six months before the writ period, your spending, the citizens' spending, is going to be regulated. That, in my view, is unconstitutional, and if this matter goes to court, it will be found to be unconstitutional.

So I would like to know whether the government is relying upon a constitutional opinion supporting this bill, because I would like to see it.

Ms. Catherine Fife: Well, we're hopeful—

The Chair (Mr. Grant Crack): Thank you very much.

Ms. Catherine Fife: No, no, no. We hope that—

The Chair (Mr. Grant Crack): Thank you very much.

I'd like to thank the three of you for coming before committee this evening. It's much appreciated. There was a request from a member: In the future, would you be interested in coming back as we continue to move forward with the bill?

Mr. Patrick Dillon: Just in response, because we didn't bring any material, we will put a brief together and get it to the committee. I'm hearing that you are going to do public consultations. We'll attend that, so that whatever we present will be—it was pretty well covered here, but you'll be able to examine us on that.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it.

Mr. Mike Colle: I have a request for the research officer, based on the presentation.

I'd like to ask for two things. First of all, the question asked by Mr. Dillon about the empirical evidence: Is

there any empirical evidence referring to the impact of third-party advertising on the electoral process, I think, is what Mr. Dillon asked for. If we could try and see if there is any evidence out there or any research done.

1940

Mr. Jeff Parker: Same question as before, Mr. Colle: Are you okay with other jurisdictions outside of Ontario if we can't get it here?

Mr. Mike Colle: Yes, that's fine.

Mr. Jeff Parker: Okay, good.

Mr. Mike Colle: The second thing is in regard to Mr. Cavalluzzo, who's a renowned constitutional litigator and expert. I think he raises a very valid question. I would like to try and get the parameters of the constitutionality of this piece of legislation as it relates to the *Harper v. Canada* case and other cases that have come before the federal court in regard to the constitutionality of restricting third-party advertising during election periods. I think I'd like to get that framework. I don't expect a total legal brief, but I do expect a framework of understanding in that area.

The Chair (Mr. Grant Crack): Mr. Parker.

Ms. Catherine Fife: Just a point of clarification, though: It's six months prior, not during. The question—

Mr. Mike Colle: No, I'm not asking about that kind of specificity. I'm asking for the general constitutional—

Ms. Catherine Fife: But that's the issue, though.

Mr. Mike Colle: —realm that we're dealing with, okay? That could be part of it, but we need to get the constitutional parameters before us, just so that we can get an understanding of what we're dealing with.

Mr. Jeff Parker: Mr. Colle, legislative research can provide you with a summary of the cases that have come before on this issue. We cannot provide you with a legal opinion on that matter. That's outside of our mandate.

Mr. Mike Colle: Okay, so if you can give us the—

Mr. Jeff Parker: We can tell you what cases have come before on this issue; we're happy to do that. What we can't do is give you the legal opinion or a constitutional reading of the matter.

Mr. Mike Colle: That's fine. Many of these cases are going to be referred to in deputations, so I'd like to see a summary of those.

The Chair (Mr. Grant Crack): Thank you very much. Thank you again for coming.

MR. ROBERT MacDERMID

The Chair (Mr. Grant Crack): Next on the agenda we have Mr. Robert MacDermid. He's an associate professor of political science at York University. Mr. MacDermid, we welcome you to committee this afternoon. You have up to 10 minutes for your presentation, followed by 15 minutes of questioning. Welcome, sir.

Mr. Robert MacDermid: Thank you very much for the opportunity to talk to you about Bill 201. I've studied election finance in Ontario at the provincial and municipal levels as well as at the federal level. I've looked at

this for decades and I welcome the chance to talk about reform. It doesn't come along very often.

There are a lot of reforms in this bill. It's difficult to talk about them all in 10 minutes. I've tried to pick six things that I think are important and speak to them.

Interjections.

Mr. Robert MacDermid: Is that a—keep going? Yes.

I should say that first of all, my approach to campaign finance is that we need systems that rely on small contributions from a broad base of funders. We know that when we have systems that allow high contribution limits and that allow corporate and union contributions, the whole economics of fundraising pushes parties into the arms of the wealthiest donors. This occurs time and time again in jurisdiction after jurisdiction.

Lowering the limits and excluding non-voters from political finance rules preserves what representatives should do, and that is to be listening to citizens when they ask for money in support of those opinions. The campaign finance system must reinforce rather than undermine the purposes of representation, which is what happens when we have a limit that allows large contributions.

Before I get into the criticism of the bill, I want to say that this bill is an advance. I think it's a huge improvement, the banning of corporate and union contributions—mostly corporate because, let's be honest: 90% of those two sums is from corporate sources, not from union sources. That is a huge step. It brings us into line with what has been the rule at the federal level, as you know, from about 2006, and of course, in four other provinces that have since moved on this. Ontario is not at the forefront of these changes, but at least we're in the game at this point. I hope also that the government will take some time to study some of these changes a bit more and hear some more in-depth research on some of these things.

I wanted to speak about disclosure, first of all: the disclosure changes in the bill, the third-party regulation, the contribution limits, higher limits for candidates' contributions—which is a change—expenditure limits and then public financing. I'll do that in about a minute each.

First of all, I think that the bill is a step backwards in disclosure, and I'm a little disappointed in that. I think disclosure is really important in campaign finance systems. I think every person in public office should want complete disclosure, because, of course, the criticisms always come to office-holders about, "You took a cheque from so-and-so; you must be in their back pocket." If I were in public office, I would want to know that everything is disclosed so that anyone who thought there was a connection between these two things could quickly go to the material and find out whether there was or wasn't. That's what I would want. I really think that Ontario is behind on that and we're actually moving further behind on that.

In this little table I have, when you look at the comparison of what the rules are now and what they will be,

it shows that about 30% of the contributions coming in to all the sources in a year when there's an election are subject to real-time disclosure. The rest is not. It goes to the constituency association. It goes to the central campaign. It goes to the candidate's campaign. That's not disclosed in real time. Nobody knows who gave you money.

Some people in major elective offices in the city of Toronto have decided, when they run for the mayor of Toronto, that they will pre-disclose. As a matter of routine in the last three elections, all major candidates for mayor pre-disclosed before election day happened.

We really don't have that at the level of Ontario, and I think that citizens deserve to know. That's important information. I want to know who gives you money. It's going to affect my vote. I think that citizens deserve the same thing.

I might point out that American citizens get this as a matter of rote. We can say all sorts of negative things about money in American politics, but, quite frankly, Americans, through the Federal Election Commission, have a vastly superior disclosure system to the one that we have.

That would be the second point that I would make. We hide the information about contributors very assiduously in this province. We only make available on the Internet the name, which, of course, is not sufficient to identify an individual. The Chief Electoral Officer systematically does not put on the Internet the addresses of people, which would allow you to connect names and with some certainty say that the contribution is from the same individual—or they require that you go to deepest, darkest Scarborough and pay money to get those sheets of paper to actually identify addresses. That's not adequate for disclosure.

The FEC goes even further, and I think this is really important since you've lowered the contribution limits. What the Federal Election Commission in the States does is that it requires the disclosure of the employer and the occupation of the contributor. That's all available. Yesterday, in class, I looked up for my students Brad Pitt and George Clooney on the FEC website to see how much they had given to Democratic candidates in the United States. It was all there. It was clear that it was George Clooney. He was an actor and he lived in Santa Monica. It was very clear who he was and how much he had given. I could see his donation record going back for 10, 15 or 20 years.

We're not allowed that information in Ontario, and I think that we should be allowed that information. I think that it would help you because you could say, "Here are the contribution records. There's no question about who is giving this." I really do think that this is a chance to improve disclosure to the level that American citizens have experienced for decades—without any loss of contributions, I might add. People are not afraid to give to American politicians. They still do it, despite the fact that those names are disclosed.

Let me go on to the second point: third-party regulation. Much has been said about this. I'm heartened by the

fact that a lawyer preceded me and pointed out some of the things that I would point out, and that is, all of this legislation could be better informed by a reading of *Harper v. Canada* and the justices' decisions on *Harper*, where they agonize over the length of the campaign period and say that they could only defend *Harper*—it was a majority decision of 5-4. Both sides talk about the length of the campaign; both talk about the limits on free speech; both question whether those limits pass the *Oakes* test, which is what Mr. Cavalluzzo actually spoke to just a minute ago. I think that that's a really important point.

The other thing is, I think, quite frankly, that it's probably unenforceable. It's not uncommon to see political finance regulations that are acts of imagination. They're not enforceable.

This is a parliamentary system. It's not a presidential system. You serve at the pleasure of the majority of the House. The government could be defeated at any moment. In a minority situation, I can see every third party saying, "There will be no regulations here. We might as well just start advertising right away, because the government could fall at any moment." There will be no application of a six-month rule in that situation. It's just a joke. They will naturally just wade in there, expecting that the government will fall long before the four-year term that would allow the six-month window to actually be enforced. So I don't actually think that it's enforceable in minority government situations. In that case, it seems to be not particularly effective.

Contribution limits: Let me go on to that. The average contribution that citizens make to parties—you know this; it's in the reports of the Chief Electoral Officer on an annual basis. The average contribution from an individual is less than \$500. Often, it's \$250. It varies from party to party, from period to period, but it's small. It's about \$500. Sometimes, it's under \$300.

You have proposed a limit of \$7,750. As far as I know, 99% of citizens in the province of Ontario would never dream of giving that amount, but 1% might. You've designed a piece of legislation that benefits the 1%. I think that limit should be much, much lower—maybe \$1,500. I leave it up to you. It could be a global limit that applies to all parties on all occasions. It's confusing as it is. What about just \$1,500 for all parties on all occasions in a year? Just leave it at that and say that's what the rule is. That's what everyone can follow, and that will reduce confusion.

1950

The fourth point was higher limits for candidate contributions. I was very disappointed to see that in the act. We're moving back towards municipal politics, which I think is regressive. It will become a tithe on all candidates to pony up \$5,000 to run because they're now allowed to have a limit that's higher than ordinary citizens. I don't believe that's reasonable. It's not the case at the federal level. It wasn't the case until you made this reform. Candidates were all subject to the same limits that other citizens were. I don't think you should

now be making a special rule for candidates because, as I say, that will become a tithe. You will all be asked by your riding association, in the next election, to pay \$5,000, because that's the limit that applies to you. Are you happy with that choice? I wouldn't be if I was in office.

The fifth point is expenditure limits. The quickest way to deal with money in politics is to reduce the expenditure limits. They've been allowed to rise, partly driven up by the cost of—not driven up by the cost of television, but the cost of television advertising has taken up ever-increasing parts of campaign budgets. We're now up to—in different periods—55% of the campaign budget going to television advertising. The simplest way to reduce the effect of money and the need to raise large sums would be to reduce expenditure limits. Just bring them down. Large amounts of money are spent by parties on ads, which are simply wasted. There's no real, known effect, often, for advertising. The advertising industry will come and tell you that advertising can sell everything. I'll tell you, from a point of academic research, about political advertising: Often, the conclusion is that it's hard to know if there's any effect. Since only one party won, one might conclude that the other two thirds that was spent was wasted. It doesn't take much imagination to imagine that if we just reduced the budgets and then spent less on manipulative advertising, which citizens often find offensive—I'm sure you've heard that before—it might do the whole process good if we actually cut out some advertising and lowered the expenditure limits.

Finally, public financing: I know that you've proposed a party allowance. Obviously, parties need enough money to communicate with citizens during campaigns. They need tax subsidies to some extent. I looked at this at the federal level in 2009, when the party allowance was in place. In some instances, up to 80% of the major parties' money—Liberal, Conservative and NDP—was coming from the public purse, when you include the cost of the tax credit, when you include the campaign subsidies, and then when you include the party allowance. In 2009, as much as 80% was coming from the public purse. I think that's too high. Moreover, I think the allowance allows parties to subsist on a level that was determined by popularity four years in advance, so it always works in the incumbent's favour. Even if an elected government, which obviously had the largest percentage of votes in the first election—even if they're unpopular by the time the second election comes, they're still benefiting from that prior popularity. So it benefits the incumbent. There's no question about that.

The Chair (Mr. Grant Crack): Final comments. We're over a minute—

Mr. Robert MacDermid: Okay.

On the other hand, parties shouldn't become primarily fundraising organizations. I think a combination of increasing campaign subsidies to the federal levels, which are higher, as you probably know, and increasing tax credits, as well as allowing a credit for the number of people who give to you, might in some way better

replace that party allowance which I think is open to questions.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate your presentation.

Ms. Fife, then Mr. Hillier, Ms. McMahon, Ms. Hoggarth.

Ms. Catherine Fife: Thank you very much, Mr. MacDermid, for coming. I also want to let you know that this committee is going to continue to meet throughout the summer, and so you will have another opportunity to come back—because it has been so much fun for you.

Laughter.

Ms. Catherine Fife: Also, on a lighter note, I would really welcome the fact that Brad Pitt or George Clooney would contribute to any of my campaigns.

The idea of real-time disclosure is of great interest to us. I did raise this with the electoral officer. As you pointed out, the new donation cap is \$7,750. It's a huge number. Most—1%, I think you referenced—would never contribute to a political party or candidate. The issue of how much of that \$7,750 contribution would appear in real-time disclosure—we suspect it would come out as \$1,550, because it goes to several other places.

Can you talk about that a little bit? Because it's an accountability piece that we're going to grapple with as a committee, and it will be a huge culture shift if we get it right for the people of this province, that all of their information is there, as we believe it should be.

Mr. Robert MacDermid: I think it does decline as a percentage of the total allowable. I'm looking at that table of what somebody could give, if they could give the maximum. How much would be disclosed? In the rules as they are now, 30% would be disclosed, whereas in the rules as you're proposing, only 20% of that money would be disclosed, the \$1,550 that goes to the central party.

One suspects that parties, because parties make up the rules and act upon the rules—these are not given by Solon. It's pretty clear that parties will direct contributors to give money more to constituency associations than candidates. So more money will be funnelled into those bodies and will avoid disclosure, at least real-time disclosure, so we won't know until six months after the fact who gave money to the candidates.

I don't honestly think you want that. As public office-holders, you want to be able to tell people who is funding you.

Ms. Catherine Fife: Yes, I think it should be public as well.

Mr. Robert MacDermid: Absolutely.

Ms. Catherine Fife: This afternoon we heard from the leader of the Green Party, who was talking about a trend in the USA around employer donation disclosure. For instance, if a green energy corporation donated a certain amount of money or a certain amount of volunteer hours, this would be disclosed in a very public and transparent manner. Mr. Colle is not here right now, but he had posed a question to the privacy commissioner about the legality of that in the province of Ontario. But

more importantly for us, I think we're questioning whether it works, is it effective, or is it just for show; is it just the optics of transparency, if this disclosure actually happens in real time?

Mr. Robert MacDermid: I think that you're muddling a few things. First of all, corporations can't give to candidates in the United States, in the system. They can give to PACs, political action committees, but they can't give directly to candidates.

But the point of asking a contributor to reveal their corporation and their occupation is to avoid employers giving money to employees to direct to a candidate of the employer's choice. We know this happens. You all know that it happens. I've been told many times by people in office that, "Oh, yes, I know that so-and-so gave money to their employers," and I look at contribution lists.

I know who works for who to some extent, especially amongst developers. I have a vague idea that so-and-so is an employee of somebody else. I once had a student in my class whose name was on the list who was a relative of a developer. I can guarantee you that he didn't give the \$750. It was probably given by his parent to him, to give.

So the disclosure of the employer's name and the occupation allows a journalist to come along and say, "Wow, everyone from that company gave money. I should call up a few of those people and see if they gave their own money." With any cabal, the bigger it gets, the more likely it is to be revealed or disclosed.

Ms. Catherine Fife: You'll understand that we're trying to navigate through the muddling of these issues, right?

Mr. Robert MacDermid: Yes.

Ms. Catherine Fife: So my question to you is, in the United States, as a practice, does this work?

Mr. Robert MacDermid: Yes, it does.

Ms. Catherine Fife: You made reference to how a journalist would actually do the investigative research. Is there no other body? Would it be up to the electoral officer in the province of Ontario to ensure that if there are volunteer hours donated by a certain corporation or union—is that the job of the electoral officer?

Mr. Robert MacDermid: All election rules suffer from a lack of oversight and a lack of active investigation in the sense that people actually will pursue what they think they're suspicious about. I will give credit to Elections Ontario. Elections Canada perhaps pursues this better, but through the office of the commissioner of elections, who is actually there to prosecute violations of the elections act. At the provincial level, I think Elections Ontario does its best to take in forms, to inquire about any things that seem wrong and to ask the constituency association in particular or the party to clear up any inaccuracies. Are there a lot of prosecutions? No, there are never any prosecutions. Let's be honest: It's very difficult to prove some of these things, which is why disclosure is often a better course, because then, at least people can see the evidence and it's much more likely that prosecution will occur.

Ms. Catherine Fife: That's important for this committee to hear.

2000

The Chair (Mr. Grant Crack): Thank you very much. I try to be fair. I think what I'm going to need to do is stop everyone at five minutes so that we'll work further.

Mr. Hillier.

Mr. Randy Hillier: Thank you for being here, Mr. MacDermid. In your brief—there's little that I could find disagreeable or objectionable to—a thoughtful brief.

I do want to maybe make one comment. You've got in there that there would be a global limit of \$1,500. In practical terms—we've seen this already, where I receive a contribution but I don't know what the person may have contributed elsewhere, and I could be in violation. There are some mechanics here that are difficult, especially if we move in the direction of administrative monetary penalties, where I would be penalized for unknowingly breaking that administrative requirement.

I find it interesting, your views on openness and disclosure. I think they're very well-suited and informative for the committee. I do hope the committee takes those to heart, that we need greater openness, because even with the information that we have available today, it becomes an insurmountable project to find actually who is involved, even with the level of openness that we have.

We see, in Bill 201, new elements that will further create opaqueness instead of openness. I refer to section 21(1), where contributions of less than \$100 will not have to be identified under the group contribution limit. Maybe at some point we could get into that in further detail, because I do hope that you will be able to make yourself available to the committee for further discussions.

It's clear for me—I'll make this statement, and you can tell me if I'm correct or if I'm incorrect. You've spent a lot of time and you've done a lot of investigation, a lot of examination, on this subject. You've come to a conclusion that the way we finance political parties today has led to an unhealthy outcome: that public policy legislation, and relationships between money and politics, is detrimental to what our expectation of democratic governance is.

Is that a fair statement?

Mr. Robert MacDermid: I think that's fair. I would say the current regime seems to challenge the legitimacy of the system and casts you all in a bad light. I think people's trust, people's views of politicians and politics—that corruption is rampant, which is a view I don't share, but it's certainly one that one could imagine arriving at, given the innuendo in newspaper coverage of fundraising events and so on.

Mr. Randy Hillier: Although you don't share the view that it's rampant, you shared a view, or a conclusion, that there is something incorrect or wrong or unhealthy and it needs to be corrected.

Mr. Robert MacDermid: My analysis is that business people and wealthy people got wealthy because

they're very rational and intelligent, and they seldom throw their money away. So why people would give tens of thousands of dollars to a political party, just out of, what, a sudden fit of charity—it seems unlikely. Probably they have some interests that they would like to see happen. Of course, they do it with all parties, so it's not something that's a problem for one and not for another.

Can I just go back to the limit? You noticed that it might be difficult to enforce the global limit. Well, that's exactly what occurs at the municipal level, as you probably know. There's a \$5,000 level, and it's the giver who has to enforce that, not the individual candidate. The donor has to enforce the level. They have to keep track of their chequebook. They have to know that the rule is \$5,000. They can't give more than \$5,000. That's the same sort of thing we're talking about.

Mr. Randy Hillier: As the Chief Electoral Officer said, the more uniformity in our laws, the easier for people to understand, and the less problems and the greater understanding. I think that's a direction that we do need to move in, for simplicity and clarity as well as openness.

Mr. Robert MacDermid: Yes.

The Chair (Mr. Grant Crack): Thank you very much—appreciate it. We'll move to Ms. McMahon.

Ms. Eleanor McMahon: Thank you for coming. You are clearly very well-studied in this endeavour.

Mr. Robert MacDermid: Too long.

Ms. Eleanor McMahon: Your academic credentials are impeccable. I read your piece in the *Globe and Mail* with great interest.

Mr. Robert MacDermid: Oh, thank you.

Ms. Eleanor McMahon: It was helpful from the perspective of outlining some advice for all of us, I think. But in terms of this particular legislation, you've made some very helpful observations about the other provinces, of course: Quebec, Manitoba, Nova Scotia and Alberta. I think I've got those right.

Mr. Robert MacDermid: Yes.

Ms. Eleanor McMahon: Hence the other jurisdictions—the city of Toronto, as you've pointed out—all free now of corporate and union contributions. As I think you know, the proposal to strengthen the legislation that is before us now focuses on the kinds of things you've touched on: banning corporate and union donations, lower individual contribution, leaders, creating a transitional per-vote allowance—I want to come back to that in a moment—and regulating the activities of third parties and special-interest groups.

I wonder if you might, unless I missed it, touch on this idea of a per-vote allowance. You did make very good points, of course, about public financing, tax credits, and how that contributes to the democratic process. Those things are already in place, but I wondered if you could maybe touch on that whole idea—because we've heard from a few people about that, including the leader of the Green Party today. What are your thoughts on that?

Mr. Robert MacDermid: I do think there could be some per-vote allowance. The question is what the level

should be. You've set it at a fairly high level. As I said, one of the problems with per-vote allowances is that they are a record of what happened four years ago. They always benefit the incumbent party, because that is the winning party. You're the incumbent party; you won. I suppose people could say, "Well, you're doing what parties have done *ad infinitum*," and that is to write the rules to benefit yourself.

So I'm giving you a way out, thinking about how better to address that, because I also think Mr. Harper made the public allowance almost radioactive in his vilification of it at the federal level. I think citizens think it's a bad thing. I think there are better ways, actually, to force people to raise small amounts of money from many people. I think that should be the goal, again, to go back to the point that I mentioned: to democratize the system and to make it reinforce representation, and to require people to go and raise more money from individuals, so maybe an enhancement of the tax credit, maybe some other form that rewards the number of contributions so that we broaden the base. Why the Conservatives stayed in office federally for so long is because they inherited a huge fundraising base from the Reform Party and they multiplied that. It wasn't until Justin Trudeau came along and understood, or the Liberal Party understood, the need to broaden that base that they began to be able to compete with the Conservatives.

That, to me, is the goal. Oddly—I mean, I'm not a Conservative supporter at all, but that party did have a very broad funding base. Ultimately, that should be the goal, because it forces politicians to listen to people. You should welcome that, because you're representing people. So this reinforces what your job is.

Ms. Eleanor McMahon: That's a fair point. May I, Mr. Chair?

The Chair (Mr. Grant Crack): You have two more minutes.

Ms. Eleanor McMahon: Thank you. Quickly, just in terms of strengthening disclosure, I had a question for you about mechanics. You talked about the FEC and so on. I'm interested in George Clooney too, just for the record. Brad Pitt, not so much. But all kidding aside, where I go to with that is the mechanics of that, Professor MacDermid. How, in your view, would that work? If we were to implement some form of disclosure, how does that work? Because riding associations aren't always that sophisticated. Do you know what I mean?

Mr. Robert MacDermid: It's true. I've heard that before. I have been a riding association president in a very small community and I know that there's a lack of talent. But I also do know that the cloud out there is rather pervasive.

We all know how to use the Internet. In Toronto, at the municipal level, candidates have to file through an electronic filing system. They don't have to pre-file, but they have to ultimately file through that electronic filing system. They all manage to do it. Candidates all over the world in other countries do the same thing. I don't think it's that difficult. Maybe people would welcome—if you

can keep a spreadsheet, I suppose you can upload it to Elections Ontario. I'm assuming that you can do that.

I just don't think it's that difficult for people, and I think maybe they actually might welcome that, because a system could be designed so that people in a remote constituency could just get on the Internet, type in the contributions and, bang, off it would go. They wouldn't have to worry about the format and everything. It could be quite easily done. It could be done as it comes in during a campaign, so that if cheques come in, they are immediately reported, within a week or 10 days or something, and people can see it. I honestly believe that people can do that without—maybe I'll be proven wrong, though. In your experience, is it?

Ms. Eleanor McMahon: Does the FEC administer it in the United States? What's their role in terms of the disclosure piece? How does that work?

Mr. Robert MacDermid: They are the equivalent of Elections Ontario.

Ms. Eleanor McMahon: I see, yes.

Mr. Robert MacDermid: So they are the regulating body. They would be the recipient of all that information that's passed on by both political action committees and by candidates and parties running for office.

Ms. Eleanor McMahon: Helpful.

Mr. Robert MacDermid: And every contribution is accompanied by a receipt, which is also graphically displayed in the FEC website. I urge you to go that website, see how long it takes you to find George Clooney's contributions and then compare what we have.

2010

Ms. Eleanor McMahon: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. I appreciate it. I appreciate you coming before committee this evening, Mr. MacDermid. We wish you a wonderful evening.

Mr. Robert MacDermid: Thank you.

Mr. Mike Colle: Would we be able to find Sheldon Adelson's contribution on that same site?

Mr. Robert MacDermid: The former York president?

Mr. Mike Colle: No, the Las Vegas—

Mr. Robert MacDermid: Oh, yes, I'm sure you could.

Mr. Mike Colle: And the Koch brothers?

The Chair (Mr. Grant Crack): Thank you very much.

AURORA STRATEGY GROUP

The Chair (Mr. Grant Crack): It gives me great pleasure to introduce our last delegation this evening. From the Aurora Strategy Group, we have Mr. Marcel Wieder, president and chief advocate. Welcome, sir. How are you tonight?

Mr. Marcel Wieder: Thank you, Mr. Chairman. I'm well. Thank you for the opportunity to be here.

The Chair (Mr. Grant Crack): Very good. You have up to 10 minutes for your presentation, followed by 15 minutes of questioning. You're free to begin, sir.

Interjections.

The Chair (Mr. Grant Crack): I think they're trying to get on the list to be able to question later.

Mr. Marcel Wieder: I'm so popular.

The Chair (Mr. Grant Crack): Very good. Go ahead, sir.

Mr. Marcel Wieder: Good evening, Mr. Chairman, and members of the committee. Thank you for the opportunity to share some thoughts with you on the important issue of campaign finance reform.

By way of background: Some of you may be familiar with me through staff notes or a Google search, but I'll provide you with a bit more insight. I have been involved in political campaigns for more than 40 years. My first campaign was for Mitchell Sharp in the federal election of 1974. Since then, I have worked in federal, provincial and municipal elections across Ontario and in other parts of the country.

Professionally, I have worked for candidates, political parties and advocacy groups since 1993 and have been involved in more than 100 election campaigns. I have also worked on two of Canada's largest independent expenditure campaigns, Working Families and Albertans for Change, where I served as the lead consultant for both groups.

I have also had the privilege of serving on the board of the American Association of Political Consultants and on the faculty of Campaigns and Elections magazine. In addition, I have regularly guest lectured at George Washington University's Graduate School of Political Management.

Over the years, I have been recognized by my peers with numerous awards and accolades, including best international campaign by Campaigns and Elections magazine; several Pollie awards by the American Association of Political Consultants; Davey, Telly and Summit awards; and, most recently, several Goldie awards, including being selected as an all-star for "significant professional contributions ... towards achieving noteworthy success in the political and public affairs fields."

In addition to the above, I have a degree in political science from the University of Toronto and post-graduate work at Humber College in marketing. All that is to say I have dedicated my life to political involvement.

Turning to the matter at hand: In the current brouhaha over campaign finance reforms in Ontario, politicians are tripping over themselves to show who is tougher on this issue. Yet, in all their zeal, there is one real casualty: democracy.

By tightening up the rules and severely restricting outside participation in the electoral process, politicians and political parties are creating a closed club. It is time to remind those in power that elections belong to the people and not them. Elections are an opportunity to hear many different voices and views. It is where debate over the direction of a city, province or country takes place.

Allowing the established political parties to have a monopoly on the political discourse of the province is unhealthy for democracy. Political parties should not have the exclusive right to participate in elections. Any Ontarian should be encouraged to stand up and share their point of view, whether as a candidate, an engaged voter or part of a group.

Democracy is strengthened when more people feel a part of the process; however, not everyone fits into one of the established political party frameworks. Some may find that their voice is not represented and therefore disengage. This leads to lower voter turnout.

A disturbing trend that has continued over the past decades is the decline of active members in political parties. While the number rises during election periods, when aspiring candidates sign up new members in hopes of securing a coveted nomination, the overall trend has been downwards. In fact, the federal wing of the Liberal Party just recently voted to eliminate membership and has instead focused on rebranding itself as a political movement. More Canadians prefer to engage politically through movements, whether they are social, environmental, labour or numerous other ones. They see it as more rewarding than through the traditional political parties.

Restricting political engagement is what the Stephen Harper government did when they introduced additional campaign reforms designed to limit independent expenditure campaigns. When he ran the National Citizens Coalition, he was all in favour, and fought in court to preserve this right. But once in office, he saw them as a threat to his re-election efforts and effectively limited them.

Notwithstanding this, citizen engagement in the political process has improved through independent expenditure campaigns. In the last federal election there were 112 registered groups, more than double the number from 2011. Despite strict rules, groups like Friends of Canadian Broadcasting, Canadians for Safe Technology, Dairy Farmers of Canada and Let's Build Canada brought their own perspective to the election. These groups added to the healthy debate during the campaign. One wonders how many more groups would have participated in the election if they didn't face daunting restrictions.

Now Ontario and other jurisdictions are looking to silence these voices with draconian rules that will effectively restrict their future participation. In each year since Ontario began keeping tabs on independent expenditure campaigns, the number of groups has increased. In Canada, third-party campaigns laid the foundation for political change. One wonders how the women's movement would fare in this environment. Under restrictive independent-expenditure campaign rules, issues such as equal rights, daycare and the right to choose would face severe limitations during elections. Is an election not the right place to discuss these important and relevant issues? Our democracy would suffer if the established political parties decided to ignore these issues and only focus on the issues they wanted to talk about.

Internationally, independent grassroots movements have morphed into political parties. This has happened in Poland with the Solidarity movement, in Ukraine with the Orange Revolution, and, more recently, with the Arab Spring. They organized citizens, printed flyers and posters, took to the airwaves and, most likely, would have broken the independent expenditure restrictions being proposed in Ontario.

No one is saying that there shouldn't be reasonable rules around independent expenditure campaigns in elections. Allowing governments to restrict political involvement through established parties is akin to restricting access to a private club. It shouldn't be that way.

Canadians have become cynical about politics and politicians because they see it as a private club that has little to do with them. Introducing legislation that further restricts and penalizes their participation only contributes to that view. Instead, Parliament, Legislatures and city councils should encourage political engagement and participation. There are many ways to foster involvement, but limiting access during an election is absolutely the wrong prescription for what ails our democracy.

Politicians and political parties may want us to believe that their issues are the only ones that should be debated and discussed. That may work in totalitarian regimes and Third World banana republics, but not here in Ontario. Everyone has the right to be heard, whether individually or collectively.

Due to the limited time available, I have not been able to comment on other areas of the bill but would be happy to discuss it in the question-and-answer portion.

Mr. Chairman, thank you for the opportunity to address the committee.

2020

The Chair (Mr. Grant Crack): Thank you, Mr. Wieder, for actually presenting within the time frame. It's much appreciated.

I'm going to be fair and I'm going to start with Mr. Hillier, even though he was the last one. You're going to have five minutes, followed by five minutes and then five minutes.

Mr. Randy Hillier: Thanks for being here, Mr. Wieder. I do find it interesting that you liken yourself and your activities to the Arab Spring and the Orange Revolution, where those local people rose up and threw out a tyrannical, oppressive form of government. I look at your history. Your company, Aurora Strategy, has been a significant contributor to only the Liberal Party in Ontario and has received substantial contracts from only the Liberal Party in Ontario. To suggest that your work is akin to the Orange Revolution—it appears to me that your endeavours and your actions have been to support the government, not to overthrow the government. I think your metaphor may be somewhat wrong.

Mr. Marcel Wieder: Mr. Hillier, can I—

Mr. Randy Hillier: You mentioned that you've been recognized with many accolades and whatnot. I do recall that there was a column in the *Globe and Mail* a number of years ago—I think the headline was "The Dirty-Tricks

Man”—that was a commentary on Mr. Marcel Wieder. So yes, your activities are well known and highly spoken of in many quarters around the globe. So I thank you for all your efforts and interests in trying to overthrow oppressive regimes, but I don't think it applies here in your activities.

Mr. Wieder, as I've mentioned, your firm has only contributed to the Liberal Party and your firm has received substantial contracts from the Liberal Party. None of that is unlawful, but we also know, and it has been heard at this committee tonight and by others, of the perception that people who contribute to political parties and whatnot are not doing it out of sense of altruism but that there is an expectation of something.

It's clear you've gained some returns from your investment. Is that correct?

Mr. Marcel Wieder: So Mr. Hillier—if I may respond, through you, Mr. Chair—unfortunately, your research is flawed. In fact, I do recall seeing you at Mr. Yakabuski's fundraiser at the Albany Club a few weeks ago.

Interjections.

Mr. Randy Hillier: No, you didn't.

The Chair (Mr. Grant Crack): Order.

Mr. Marcel Wieder: Our firm has contributed to all three parties. We were at the NDP leader's reception, and we do contribute to the Liberal Party.

Mr. Randy Hillier: Maybe the real-time disclosure is not quite up to date.

Interjections.

The Chair (Mr. Grant Crack): Order. Mr. Wieder has the floor.

Mr. Mike Colle: I think we need to get Mr. Hillier a better researcher—

The Chair (Mr. Grant Crack): Mr. Colle.

Mr. Randy Hillier: If I'm mistaken—maybe I should say “substantially,” according to my data up to 2015.

Mr. Marcel Wieder: I can tell you that we get invitations, and when we're invited we tend to go, so if you'd care to invite me to one of your fundraisers I'd be happy to consider that.

As far as the work that I have done through one of our sister companies, which is what you're referring to, we make no apologies. We followed the proper rules. We are a very specialized firm that does political communications. There are very few companies or individuals that have that expertise. That expertise has been used in the past.

I can say that since the last election we've done no work for this government at any time. The record is clear. The record is available to be—

Mr. Randy Hillier: David Herle is getting the work now, from what I understand.

The Chair (Mr. Grant Crack): Thank you very much. We'll move to Ms. Fife.

Ms. Catherine Fife: Thank you, Marcel, for being here today.

I will take exception, though, to your description that this committee is responding to a campaign brouhaha, as

you described. I'm not here to deal with a campaign brouhaha; I'm here to represent the interests of the people of this province and, as the electoral officer has said, put the elector at the centre and try, in the province of Ontario, to level the playing field. I just want to make that clear.

We do have to remember why this did start, though, and it was more than a brouhaha. It was a very serious issue, I think, in that—

Interjection.

Ms. Catherine Fife: —be quiet—the revelation that cabinet ministers had quotas to raise is a very serious accusation. I hope that you would agree with that, because what we've been exploring here thus far is, what is the role that money has in politics? Who has access to politicians and parties, and how does that money influence public policy? So those are very interesting and very serious issues.

Now, the rest of your comments, I fully concur with, because the issue that we have and that we have raised concerns about in the House and in Hansard is the role that citizens' voices have in establishing and influencing that policy, be it criticizing or supporting the government. So the six-month window around citizens, advocacy and policy advocates having the ability to weigh in on the direction of government, if you will, or legislation or leaked cap-and-trade policies—we feel that the voices of those citizens will be compromised by Bill 201. I would like for you specifically to speak about those voices and their rights as citizens to weigh in on public policy.

Mr. Marcel Wieder: Thank you to the member. I agree with some of the statements that you've said with respect to that six-month window. For example, if we were to look at the current situation today, if you were to back up six months from the June election, we'd be in December, and in the period between December and June, there's a budget. A government can present a budget in which there may be things that Ontarians disagree with. If they were to voice their opposition during that period, they would be captured under this bill.

So people who are protesting about not having enough money for autism or for women's reproductive rights or anything else that is affected by that budget would be captured, because they could be considered political issues. The political issue determinant lies, from what I understand from the legislation, with the Chief Electoral Officer, who will decide whether in fact that is a political issue or a non-political issue.

Ms. Catherine Fife: Thank you for raising that, because the Chief Electoral Officer has asked for clarity around that. He has said that, in other words, it not apply to the six months preceding the call of a scheduled general election, so you concur with the Chief Electoral Officer.

Mr. Marcel Wieder: I do concur.

Ms. Catherine Fife: How much time do I have?

The Chair (Mr. Grant Crack): About a minute and half.

Ms. Catherine Fife: How do you find the current practice of this government around government advertising? Because the Auditor General, just this last weekend, revealed that she would have ruled the latest climate change commercial to be too partisan. She would have shut that down, if the government had not changed the Government Advertising Act of June 2015. There are unfettered, carte blanche—no limits whatsoever to what the government can advertise. How do you see that in relation to the electoral level of the playing field?

Mr. Marcel Wieder: Mr. Chair, to the member: Regrettably, I've not viewed that particular commercial, so I can't comment on the content of that in terms of how it impacts whether it would fall into what the Auditor General says in terms of partisan. I do believe that there is a need for governments to communicate issues to the public and that that right should be maintained.

Ms. Catherine Fife: Do you think that the government should play by the same rules as the citizens of the province?

Mr. Marcel Wieder: Based on the legislation that is being presented in Bill 201, if you're talking about a truly level playing field, then those restrictions should apply to a government as well as to third parties.

2030

Ms. Catherine Fife: Okay. The auditor did say, though, that this latest commercial was about promoting a positive image of the government—basically self-promotional. So you would find that the government should not be allowed to do that?

Mr. Marcel Wieder: If Bill 201 is allowed to pass, then those same restrictions that apply to third parties should therefore apply to the government as well.

Ms. Catherine Fife: Thank you very much.

The Chair (Mr. Grant Crack): Thank you. Mrs. Lalonde.

Mrs. Marie-France Lalonde: We're not going to waste time.

Thank you very much for being here and for sharing your comments with us tonight. The Ontario government, as you know, is undertaking a collaborative, credible and, I would say, a very transparent process. I think it's long overdue to many, many Ontarians. I'm interested to know: In your April 2016 column in the *Toronto Star*, you talked about the need for greater transparency in political donations, specifically real-time reporting. Can you please discuss the benefits of stronger real-time reporting requirements?

Mr. Marcel Wieder: As Professor MacDermid pointed out, if you look at the FEC in the US, which has a real-time reporting requirement, this would allow citizens to be able to search out and find who is donating to which campaigns, and be able to then know what impact those donations are having.

Ms. Eleanor McMahon: Thank you for coming here today.

Mr. Marcel Wieder: Thank you for having me.

Ms. Eleanor McMahon: It's very interesting. I'm a big Mitchell fan. I worked for Prime Minister Chrétien

and I love that Mitchell gave his time to us for a dollar a year.

Mr. Marcel Wieder: Yes, I know it.

Ms. Eleanor McMahon: Very generous. Talk to me a minute—you have considerable federal experience. When we look at our efforts to reform third-party election finances, it's based largely on existing federal rules, as you know, which set a spending limit of just over \$200,000 across the country for third-party advertising. Given that federal elections are about a week longer than ours, can you explain how these federal rules might translate into the Ontario context and how various stakeholders could operate in that system—how that might work?

Mr. Marcel Wieder: Mr. Chair, to the member: Thank you for asking me about that, but I have to recuse myself. I'm not an expert on the federal area.

Ms. Eleanor McMahon: Oh, I'm sorry. I thought that was your area of expertise—

Mr. Marcel Wieder: No, no. I've done work on the federal campaigns, but I'm not an expert, and so my comments would only be educated guesses as to how they would—

Ms. Eleanor McMahon: Okay. Can I have 30 seconds?

The Chair (Mr. Grant Crack): No, you have two minutes, but Mr. Colle would also like to speak.

Ms. Eleanor McMahon: Okay, I will defer to my colleague, then. Mr. Colle, go ahead.

Mr. Mike Colle: Thank you, Mr. Wieder. I want to ask you a context question here. I know we've been down at the campaign election extravaganzas in Washington, DC over the years. I was a bit flabbergasted by Professor MacDermid. I have a lot of respect for him, but he was basically holding up the American model for us to follow in terms of campaign financing.

You have a lot of experience in US politics. I know you're professionally connected with a lot of campaign manager types all over the United States. What do you think we could learn, or should not do, that the Americans are doing right now in terms of campaign financing?

Mr. Marcel Wieder: Unlike the US model—they do not grant any tax credit or any tax relief to a donor of a political party. It's a very different than the Canadian context. In Canada, both at the federal, provincial and in some municipal campaigns, there are tax credits or rebates that are issued. In the US, they don't do that. Pretty well any candidate can raise whatever amount they wish, so there's no limit on the amount of money raised by a candidate and there's no limit on spending during a campaign. So those are in sharp contrast to the rules that we operate under. The two are very different.

The other thing is that it's a cultural issue as well. In the US, they've developed a strong culture of encouraging donations and participation in the political process. In Canada, we have not developed that political culture of encouraging ongoing efforts to create movements such as what you're seeing with Bernie Sanders and, to some degree—I know you know where I'm going—with Mr. Trump.

Mr. Randy Hillier: It's hard to use that word, eh?

Mr. Marcel Wieder: I know. It's hard for me.

But that whole culture has been ingrained in the US body politic over the years. We have not developed that type of cultural system here in Ontario or in Canada. We've relied, however, on subsidies at the federal level, which have been reintroduced under the current government. We have subsidies in Ontario, through Elections Ontario, for the campaigns. Now, in this bill that's being proposed, there will be additional funds made available to the political parties. We have two very different types of systems.

Mr. Mike Colle: Plus the congressional elections. They're campaigning—

The Chair (Mr. Grant Crack): Thank you very much. Thank you, Mr. Colle—

Mr. Marcel Wieder: If I could just respond to Mr. Colle's last comment—

The Chair (Mr. Grant Crack): Quickly.

Mr. Marcel Wieder: My concern with this bill—and I'd be happy to come back to the committee—is that Bill 201 will force each of you, as elected members, to spend far more time chasing far fewer dollars, and you will have to dedicate a significant amount of your personal time to raising the monies necessary to mount a credible campaign. I don't think any of you would want to invest further time than you already do on fundraising.

The Chair (Mr. Grant Crack): Thank you very much—

Interjection.

The Chair (Mr. Grant Crack): Do you have a point of order?

Mr. Randy Hillier: Point of order, Chair. I just wanted to—

The Chair (Mr. Grant Crack): I hope it's a point of order.

Mr. Randy Hillier: It is a point of order. The word that was having trouble being said was "Trump," I believe.

Mr. Marcel Wieder: Yes.

Mr. Randy Hillier: I don't want that not to get in on the record.

The Chair (Mr. Grant Crack): Okay. Well, thank you very much, Mr. Wieder, for coming before committee this evening. Your comments are much appreciated. We wish you a wonderful evening.

Mr. Marcel Wieder: Thank you.

The Chair (Mr. Grant Crack): I'd like to remind members of the committee that we will be meeting tomorrow at 4 p.m. regarding the subcommittee report, which will obviously deal with our travel schedule and format for the summer.

I want to wish everyone a good night. I thank you for all of your input. This meeting is adjourned.

The committee adjourned at 2037.

CONTENTS

Tuesday 7 June 2016

Election Finances Statute Law Amendment Act, 2016, Bill 201, Mr. Naqvi / Loi de 2016 modifiant des lois en ce qui concerne le financement électoral, projet de loi 201, M. Naqvi	G-1177
Green Party of Ontario	G-1177
Mr. Mike Schreiner	
Ontario Public Service Employees Union.....	G-1191
Mr. Smokey Thomas	
Provincial Building and Construction Trades Council of Ontario; Working Families	G-1195
Mr. Patrick Dillon	
Mr. Paul Cavalluzzo	
Mr. Robert MacDermid.....	G-1199
Aurora Strategy Group.....	G-1204
Mr. Marcel Wieder	

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Mr. Randy Hillier (Lanark–Frontenac–Lennox and Addington PC)

Mrs. Marie-France Lalonde (Ottawa–Orléans L)

Also taking part / Autres participants et participantes

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Clerk / Greffière

Ms. Sylwia Przewdziecki

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Mr. Jeff Parker, research officer,
Research Services



Legislative Assembly of Ontario

First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Wednesday 8 June 2016

Journal des débats (Hansard)

Mercredi 8 juin 2016

Standing Committee on General Government

Election Finances Statute Law
Amendment Act, 2016

Comité permanent des affaires gouvernementales

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en ce qui concerne
le financement électoral

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Wednesday 8 June 2016

Mercredi 8 juin 2016

The committee met at 1602 in committee room 2.

SUBCOMMITTEE REPORT

The Chair (Mr. Grant Crack): Good afternoon, everyone. Members of the committee, legislative research, Clerk, Hansard, ladies and gentlemen, I'd like to call the Standing Committee on General Government to order. We're here this afternoon to discuss the subcommittee report that was compiled on Tuesday, December 7. For discussion purposes, perhaps could we—

Mr. Mike Colle: December?

The Chair (Mr. Grant Crack): Tuesday, June 7, 2016. I stand corrected.

I would ask: Is there any member from the subcommittee who would be interested in reading that into the record? Ms. Fife.

Ms. Catherine Fife: Report of the subcommittee, Tuesday, June 7:

Your subcommittee on committee business met on Tuesday, June 7, 2016, to consider the method of proceeding on Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007, and recommends the following:

(1) That the committee hold public hearings on Bill 201 for one day in Kingston and for up to three days in Ottawa, the week of Monday, June 27, 2016.

(2) That the committee hold public hearings on Bill 201 for up to four days in Toronto, at Queen's Park, the week of Monday, July 11, 2016.

(3) That the committee hold public hearings on Bill 201 in Hamilton, Kitchener-Waterloo, London and Windsor, the week of Monday, July 25, 2016.

(4) That the committee hold public hearings on Bill 201 in Thunder Bay, Sudbury, North Bay and Toronto, the week of Monday, August 8, 2016.

(5) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the committee's business with respect to Bill 201 on the Ontario parliamentary channel, on the Legislative Assembly website and with the CNW newswire service.

(6) That the Clerk of the Committee, with the authorization of the Chair, place an advertisement as soon as possible in a major newspaper in each of the cities outside of Toronto to which the committee intends to travel on Bill 201, and that the advertisements be placed in both English and French papers where possible.

(7) That interested people who wish to be considered to appear before the committee on Bill 201 the week of June 27, 2016, contact the committee Clerk by 5 p.m. on Friday, June 17, 2016.

(8) That interested people who wish to be considered to appear before the committee on Bill 201 on all other weeks contact the committee Clerk by 5 p.m. on Thursday, July 7, 2016.

(9) That late requests be accommodated, if possible; and that this be stated in any posted notice respecting Bill 201.

(10) That witnesses be scheduled on a first-come, first-served basis.

(11) That, on each day of public hearings, the committee may meet from 9 a.m. to 11:30 a.m.; from 1:30 p.m. to 4 p.m.; and from 4:30 p.m. to 6 p.m.

(12) That, in the event of oversubscription to the public hearing for a given day, the subcommittee may determine whether to extend the sitting of the committee to 9 p.m. that day.

(13) That groups and individuals be offered 10 minutes for their presentations, followed by up to 15 minutes of discussion with the committee, moderated by the Chair.

(14) That the current or any former Chief Electoral Officer of Canada, any current or former provincial Chief Electoral Officer, any officer of the Legislative Assembly of Ontario, former legislators, former judges and academics be offered 20 minutes for their presentations, followed by 40 minutes of discussion with the committee, moderated by the Chair.

(15) That a minimum of two hours' worth of scheduled presentations in a location be required to warrant the committee's travel to that location.

(16) That one staff person from each recognized party be authorized to travel with the committee, as per the order of the House dated Tuesday, May 31, 2016.

(17) That the Chief Electoral Officer of Ontario be offered the last witness spot on Thursday, August 11, 2016, and that he be offered up to two hours for his presentation, followed by up to two hours of discussion with the committee, moderated by the Chair.

(18) That, if possible, the committee meet in committee room 151 when meeting at Queen's Park, Toronto, during the summer.

(19) That the deadline for written submissions be 1 p.m. on Monday, August 15, 2016, as per the order of the House dated Tuesday, May 31, 2016.

(20) That the research officer provide the committee with a summary of witness presentations by 5 p.m. on Thursday, August 18, 2016.

(21) That amendments to the bill be filed with the Clerk of the Committee by 4 p.m. on Monday, August 22, 2016, as per the order of the House dated Tuesday, May 31, 2016.

(22) That the committee meet in Toronto from Monday, August 29 to Thursday, September 1, 2016, from 9 a.m. to 6 p.m., for clause-by-clause consideration of the bill, as per the order of the House dated Tuesday, May 31, 2016.

(23) That the committee Clerk, in consultation with the Chair, be authorized to commence making any preliminary arrangements necessary to facilitate the committee's proceedings prior to the adoption of this report.

The Chair (Mr. Grant Crack): Further discussion? Mr. Clark.

Mr. Steve Clark: In regard to number (18) and the use of committee room 151, this evening and tomorrow are we going to be using those rooms if they are available?

The Chair (Mr. Grant Crack): No. I think the schedule was for here for those two particular meetings.

Mr. Steve Clark: Are those rooms available? Can we check, with the consensus of the committee?

Mr. Lou Rinaldi: And the purpose is? I'm just curious.

Mr. Steve Clark: It allows live-streaming. We can live-stream in that room.

Mr. Mike Colle: Let's check and see if they're available.

Mr. Steve Clark: I just want the consensus of the committee that if they are available tonight or tomorrow, that we use them.

Interjections.

Interjection: Ms. Fife?

Ms. Catherine Fife: I completely agree.

The Chair (Mr. Grant Crack): Okay. It looks like we have the consensus of the committee that the Clerk look into the availability of committee room 151, and if available, the committee agrees that the meetings this evening and tomorrow be held in that particular location.

Mr. Rinaldi?

Mr. Lou Rinaldi: I know it's not a big burden, but we have two presenters coming at 6:45 and after. They've probably been told to come here.

Mr. Mike Colle: We'll have someone at the door.

Mr. Lou Rinaldi: Okay.

The Chair (Mr. Grant Crack): Very good. There is really one presenter this evening, physically. The other is by teleconference.

Any further discussion? Mr. Colle.

Mr. Mike Colle: Yes. There's a typo in—the Standing Committee on Finance. It should be Standing Committee on—

Interjections.

The Chair (Mr. Grant Crack): I would like to thank Mr. Colle for pointing that out. However, the Clerk has redistributed it with the correct committee on there.

Mr. Mike Colle: Oh. I didn't get the up-to-date one. I stand corrected.

The Chair (Mr. Grant Crack): Thank you for bringing that to our attention.

Ms. Fife?

Ms. Catherine Fife: Just on point (22)—this didn't come up in subcommittee discussion—the clause-by-clause, that's in an open meeting? It's not in camera, right?

The Chair (Mr. Grant Crack): No. It would be an open meeting as per the order of the House.

Ms. Catherine Fife: Thank you.

The Chair (Mr. Grant Crack): Ms. Malhi?

Ms. Harinder Malhi: On behalf of Mr. Fraser, I just want to thank the members of the subcommittee for a productive meeting. The last time this committee met to discuss the organization of this bill, we put a proposal on the table. I wanted to thank everybody for coming to consensus so quickly so that we're able to move forward. As you know, we thought that this was a bill of high importance, and we wanted to bring this bill to committee shortly after first reading. I thank you all for the consensus and for working collaboratively in subcommittee to make this happen.

The Chair (Mr. Grant Crack): Thank you very much. Further discussion on the report from the subcommittee?

Mr. Randy Hillier: Even the Chair did a marvellous job on the subcommittee as well.

The Chair (Mr. Grant Crack): Excuse me, could you repeat that? I don't think Hansard quite picked that up.

Any further discussion? There being none, I'm going to call for the vote on the report from the subcommittee on general government. Those in favour of the report? There are none opposed. I declare the report of the subcommittee, dated Tuesday, June 7, 2016, carried.

There being no further business of the committee at this point, I declare the meeting recessed—right, Madam Clerk?—until 6:45 p.m. The Clerk may have some information for you after the meeting concludes.

I declare this meeting recessed.

The committee recessed from 1610 to 1845.

The Chair (Mr. Grant Crack): Good evening, everyone. I will call the Standing Committee on General Government back to order, following our 4 p.m. meeting where we adopted the subcommittee report.

Tonight, we have two individuals on the agenda. I would like to remind members of the committee that presenters have up to 10 minutes for their presentation, followed by 15 minutes of comments and questions.

I have been noticing a trend where it appears that once questioning begins by a specific party—and all three have done it—they would like to take the whole 15 minutes. Although it's more of a free type of discussion, it appears that I'm going to have to control it a little bit,

to ensure that there is some fairness in and around the five-minute mark.

Ms. Fife?

Ms. Catherine Fife: I'd just like to say I fully support that decision made by the Chair.

The Chair (Mr. Grant Crack): Thank you very much. I appreciate that.

ELECTION FINANCES STATUTE LAW AMENDMENT ACT, 2016

LOI DE 2016 MODIFIANT DES LOIS EN CE QUI CONCERNE LE FINANCEMENT ÉLECTORAL

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.

CUPE ONTARIO

The Chair (Mr. Grant Crack): Without further ado, we have the distinct pleasure of having the president of CUPE Ontario, Mr. Fred Hahn, with us tonight. We welcome you, sir. You have up to 10 minutes for your presentation.

The floor is yours, sir.

Mr. Fred Hahn: Thanks very much. My name is Fred Hahn. I am the president of CUPE Ontario. CUPE represents 250,000 members across the broader public sector in the province. As a union committed to improving the lives of our members—not just our members, but all workers. As a result, we're very interested in all forms of political activity and we take all very seriously. That includes a keen interest in electoral politics and making sure that people are engaged with important issues and promoting policies that will benefit working people across the province.

I want to thank the committee for the opportunity to speak today. We appreciate that there will be multiple opportunities to provide input into Bill 201. We're going to provide some comments on important provisions of the bill today, but we will also be submitting a more comprehensive written submission before the August 15 deadline.

The goal of creating a fairer election financing and election spending regime is laudable. There is, at the very least, a perception that big money is tainting electoral politics and that access to government officials can be purchased. Most people in Ontario couldn't come anywhere near close to the maximum contribution limits in the current legislation. Lowering contribution limits to \$1,550 for individual candidates or riding associations and \$3,100 for two or more candidates or riding associations per year is a step in the right direction. This limit is still higher than most people in the province would ever afford to contribute. We would ask, therefore,

that those limits be reviewed on a regular basis with the goal of ensuring that there is a level playing field for all Ontarians.

There are, however, still too many loopholes in this legislation. The bill allows for additional donations during election periods, either general elections or by-elections, which significantly increase maximum contributions. We're recommending that there should be an annual hard cap of \$3,100 a year, with no contributions to individuals exceeding \$1,500. Anything short of a hard cap undermines the goal of limiting the influence of money in politics.

We also recommend that provisions be added to the act to ensure greater transparency in tracking contributions. In particular, information on campaign contributions should include the name of the employer of the contributor to ensure that businesses are not skirting the rules by giving money to their employees to funnel to parties.

We object to provisions that allow individuals to contribute up to \$5,000 to their own campaign. Individuals running for office should not be afforded a greater ability to contribute than anyone else.

In Bill 201, the definition of "contribution" doesn't include voluntary labour, so long as that person performing this voluntary labour doesn't receive any remuneration greater than they would normally receive for those services performed.

1850

We agree that there's value in encouraging people to participate in the electoral process, which this provision does. We would, however, like to recommend that the use of paid employees not include professional services, like polling or advertising or research. Professional services provide a higher value to campaigns than other forms of volunteer activity, like answering phones or making calls on behalf of a candidate or distributing leaflets.

Regarding contribution limits, it's inappropriate to allow individuals to contribute up to \$25,000 to their own party leadership campaign. Establishing a limit this high gives an unacceptable advantage to relatively affluent candidates. All leadership contestants should be on the same footing, should have the same obligation to raise money for their campaign and should face the same restrictions on contributions as the rest of us.

Bill 201 also needs to include strict rules to prohibit cash-for-access fundraisers. Cash-for-access fundraisers are one of the principal reasons we're having this discussion right now. People are rightfully concerned that access to ministers and the Premier can be purchased. In the absence of such a restriction, this legislation is insufficient to protect the public's need to get money out of politics.

Lowering the cap on campaign contributions can also be matched with a lower cap on campaign expenditures for political parties during elections. We recommend that Bill 201 be amended to include provisions that would lower expenditure limits. Parties' ceaseless drive to raise

money is, in part, caused by an exceedingly high spending limit during elections. With a lower cap on party spending, the need to raise massive sums of money would be reduced. Lowering the spending cap by three quarters of its current level would still allow parties to spend over \$5.5 million on elections, which is a substantial sum.

It should be noted that the majority of parties' expenditures go toward advertising. Anywhere from 55% to over 85% of party election budgets have gone to advertising costs. While we recognize that there is a place for advertising in elections, spending more than \$6 million on advertising in one election campaign, as one party did in 2014, seems to us to be excessive.

In an age of social media and innovative communications strategies, parties can be less reliant on expensive television advertising. Messaging through Facebook, YouTube and other sites can significantly reduce these costs. And let's face it: Fewer people are watching broadcast television, and that means that expensive television ads are less useful than they were in the past.

Election advertising costs for parties could be further reduced if there was a requirement that television stations, as a condition of their CRTC licence, would provide free election advertising to all parties on an equitable basis. Now, we know this is outside of the powers of provincial government, but we'd ask the government to press their federal counterparts for legislation that would make it mandatory for free-time election advertising. The airwaves, after all, are public. Requiring TV stations to contribute to the democratic process seems a very low price to pay for access to this important public asset.

CUPE Ontario is also supportive of a move to prohibit contributions from corporations and unions. This will bring Ontario in line with similar kinds of prohibitions in other provinces and at the federal level. We believe that it will be important, with these changes, to require public subsidies for parties.

We'd also like to comment on the proposed restrictions for third-party advertising. It's important for third parties to have the right to communicate issues of importance during election campaigns. Political parties are not the only entities that have an interest in shaping and contributing to the public discourse. In a healthy democracy, there must be room for a multiplicity of voices.

That being said, we do recognize that limiting third-party advertising at the federal level has been used to strike a reasonable balance between the interests of third parties to advertise and the public interest to ensure that some voices don't overshadow others. The Supreme Court recognized that in *Harper v. Canada*, in which it upheld the federal legislation on third-party advertising.

CUPE does want to maintain the right to engage in third-party advertising during elections, but we agree that limits are appropriate. We want to maintain the right to engage in campaigns to raise awareness on public policy issues like health care, post-secondary education and tax policy, and even issues like the sell-off of public assets, and labour rights and anti-poverty strategies.

We believe that we'd be able to continue to engage in this practice so long as Bill 201 is in line with and interpreted like federal legislation. The definition of advertisement in Bill 201 includes "advertising that takes a position on an issue with which a registered party or candidate is associated." Interpreted too broadly, this could mean that third parties couldn't advertise on any issue if a candidate or a party took any position on it. This kind of interpretation would be too restrictive.

The federal legislation has been interpreted in a way that allows for broad-based issues to be discussed, but still restricts ads that clearly favour or oppose one party or candidate. It would be appropriate for that federal interpretation to be adopted here.

If third parties are limited in their ability to advocate during elections and, indeed, six months prior to an election, then it's also necessary to limit government advertising during this period. People identify advertisements by government with the party that holds office at the time. It's clearly an advantage for incumbent parties that cannot possibly be shared by other parties. Government advertising only focuses on messages that are favoured by the people who hold office. It would be laughable and completely unexpected that government advertising would be critical of a government policy. By extension, the party that holds office gets the benefit.

Since government advertising can only possibly benefit one political party—the party that forms government—access to public dollars for advertisements constitutes an unfair advantage. It must therefore be curtailed during elections and for the six-month period prior to elections.

Thanks for your time. I am happy to take any questions. We will be looking forward to a written submission to you all by the deadline in August.

The Chair (Mr. Grant Crack): We'll start with Ms. Hoggarth, then Mr. Clark and then Ms. Fife.

Ms. Ann Hoggarth: Hi, Fred. It's nice to see you again. Thanks for coming here tonight.

Ontario is taking steps to even the playing field. We feel that this is very important, and one of the ways is by limiting the role of third parties in elections. Bill 201 accomplishes this by taking the important step of limiting the amount of third-party advertising during the election.

Some things aren't included right now in the cap, such as: transmission to the public of editorial news or op-eds, mailings to union members or company employees or shareholders, and making telephone calls to electors, along with day-to-day political operations. Should the proposed bill make these activities subject to the spending limit to further even the playing field? If so, should the spending limit be increased? If not, why?

Mr. Fred Hahn: I think that what would be best here and what we try to articulate is that what we adopt here should be consistent with what the federal government has done and what the interpretation of the federal legislation is. What that allows for is for people to do all of the things that you articulated to not be considered under the spending cap. It makes sense for us to be

consistent in that way. It actually makes it easier, I think, when the same rules apply for elections at different levels.

Ms. Ann Hoggarth: Okay. The union donation ban: Of course, I've been involved in unions and you, of course, are the leader of a union. What is the organization's position on the ban?

Mr. Fred Hahn: We're in favour of banning both corporate and union donations. We know well that when you compare the amount of money that unions donate to political parties versus the amount of money that corporations and banks donate to political parties, we're a small fish in a very big pond. But to level the playing field in the interests of enhancing the democratic process, making sure that politics isn't about money but it is about ideas—it's why we're not only in favour of the ban but why we're also advocating to allow third parties to continue to campaign on issues that are important public policy issues so that that can form part of the debate that happens around an election.

Ms. Ann Hoggarth: Should we ban corporate and union donations to third parties? If not, should there be a limit? If so, what amount?

Mr. Fred Hahn: We haven't really taken a position in the notes that I've taken, but I would think that there should be some consistency in terms of the approach that we're taking across the board. From our perspective, we don't participate in a separate third party. It's our members who decide what our union participates with and talks about and campaigns on during an election.

Ms. Ann Hoggarth: People don't understand that, Fred. You and I do, but I think that message needs to get out from unions. Thank you very much.

The Chair (Mr. Grant Crack): Mr. Clark?

Mr. Steve Clark: Thanks, Fred. Welcome. I'm glad you're here. I look forward to your more detailed presentation.

You used the words "big money" and "cash for access." I guess what I'd like to hear from you is: Do you feel that because of that big-money access, pay-to-play, you and your union have been disadvantaged?

Mr. Fred Hahn: I think that when people can get access to cabinet ministers or the Premier by spending big amounts of money at a fundraiser, the perception is there that others, certainly, don't have the same access.

1900

I was just on the lawn with some parents who have kids who are dealing with autism, and I'll tell you, I don't think any of those parents could be paying 10,000 bucks to get access to the minister. But they all have very important issues that I think that minister would benefit from hearing.

Access to politicians needs to be levelled, and the playing field needs to be levelled. That's why we're saying that this legislation should speak specifically to those kinds of fundraisers.

Mr. Steve Clark: You came to the point in your presentation where you talked about staffing and volunteers. You were a little fast in terms of your presentation, so I

want to give you an opportunity to reiterate how you feel that should be handled in this bill.

Mr. Fred Hahn: I think that all of us would want people to be engaged and involved in the election process. That means being able to volunteer and be part of a campaign for a local candidate. That may include being able to be there and not losing remuneration from their workplace to be there.

The reality is that people have many different skills. If a candidate or a party is going to benefit from in-kind donations or whatever from somebody volunteering their time to be a pollster or a researcher or to do advertising for them, those kinds of benefits to a campaign and to a party are very different from the volunteers who would be manning a phone bank or going and talking to electors or putting signs on lawns. Those are important activities that we think people should be able to participate in without losing remuneration. They're very different from advertising, polling and research. Those are skills that should be, and are properly to be, purchased by a candidate.

Mr. Steve Clark: No matter whether it's a corporation or a union, do you not feel that there is a big difference between someone who is being paid and being placed in a campaign versus someone who, just out of the goodness of their heart, decides, outside of their workday, that they're going to campaign for a particular candidate, whoever that might be? I think there's a big difference.

Mr. Fred Hahn: There's a difference—although there are folks, of course, who, in the course of their work, would be wanting to be more active. As long as the service they're providing to the campaign isn't a service that ought to be purchased, like the professional services that we've talked about—if somebody is able to and wants to engage in that work, why should they lose remuneration from their workplace?

Mr. Steve Clark: I want to give Mr. Hillier some time.

The Chair (Mr. Grant Crack): Mr. Hillier, you have about two minutes.

Mr. Randy Hillier: I just want to expand on this a little bit. Knowing campaigns, campaign volunteers can do a multiplicity of roles. I've had volunteers who work the phones, who do graphic design for lit drops, who do databasing as well as canvassing. I'm not sure how you could sort all those things out. But I think the important part is that paid volunteers, as much of an oxymoron as that is, be deemed a contribution, so at least we know that they exist on each campaign. Would you have any comments about that—that at least we know that the person or the company or the union are providing labour to a campaign?

Mr. Fred Hahn: What we're trying to do is distinguish between the activity that many—the lion's share of campaign volunteers, at least in the campaigns that I've been involved in, are the folks who are making phone calls, who are talking to electors, who are putting up signs—

Mr. Randy Hillier: But at present, we don't know who they are, and we don't how many of those—because they're not deemed to be a contribution. Do you believe that it would be important and beneficial to be open and transparent and that we know who is providing volunteers, whether paid or otherwise?

Mr. Fred Hahn: The challenge becomes, for us, the question of what volunteer time is and what work time is. For example, we have members who have been active in campaigns, and we have helped them with remuneration, so that they aren't going to their workday. But they're in a campaign office and may be there for 12 or 14 hours, when their workday may be seven and a half hours.

Mr. Randy Hillier: Still, should we not know if it's thousands or tens of thousands?

Mr. Fred Hahn: If only it were tens of thousands.

Mr. Randy Hillier: I'm sure the unions do provide significant labour. I think it would be reasonable to expect that the public know how much they were being provided and that the campaign recognize that it is a contribution because, any way you slice it and dice it, it is a meaningful benefit, or else campaigns would not seek out those volunteers.

Mr. Fred Hahn: Indeed. Having people in campaign offices is essential to a successful campaign.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Fife.

Ms. Catherine Fife: Thank you, Fred, for coming and sharing some initial thoughts. Like the other members, I will look forward to a detailed—and perhaps a reflection on what this committee is going to come up with as well.

One of the outstanding issues that you've touched on here is around stifling, if you will, some of those voices, those issue-based advocates that are out there, who are looking, six months prior to an election, to weigh in and be heard by the government of the day, regardless of the party.

I don't know if you had a chance to read the Chief Electoral Officer's piece, but he also shared those concerns because, as he pointed out, an issue one day is non-political, but the next day it could be political. Do you want to expand on that? Because for us, that's one of the most serious concerns about Bill 201, as it's crafted right now.

Mr. Fred Hahn: I think it's incredibly important in a healthy, functioning democracy for people to be able to contribute to public policy initiatives on issues. It's impossible to imagine an issue that wouldn't somehow be associated with one political party or another. Saying that people would be restricted from campaigning on issues six months prior to an election seems to us to be counter to the ability for people, under the charter, to express their interests and to advocate around issues that matter.

I'm not sure how far that goes. Does a public health organization in a community that's advocating around the importance of public health become political advertising in a campaign? Issues are quite important, and it's why we're saying we think the way the bill is not only struc-

tured but also interpreted should mirror what happens at the federal level, where people are able to campaign on issues and are able to engage in that public policy debate.

Ms. Catherine Fife: One of the key recommendations from the Chief Electoral Officer was that the definition of "political advertising" proposed in the bill apply only during writ periods; in other words, that it not apply to the six months preceding the call to schedule a general election. As he pointed out, it's his job to monitor this, and it's almost impossible.

The other issue that you raised was around the donations, \$7,750. Do you think that this bill goes far enough on that to pull big money out of politics? Because for a lot of Ontarians—in fact, for the majority of Ontarians—\$7,750 is a lot of money.

Mr. Fred Hahn: Yes, and it's why we say that putting some limits on is important, certainly, but we're proposing limits that are in line with what happens federally. We're also proposing, further, that those limits be evaluated, because for most working folks in the province of Ontario, even contributing \$1,550 might be a stretch. If we're going to have a level playing field, if the goal of the legislation is to level the playing field, then it really should be levelled to a place that is fair, reachable and attainable for most Ontarians.

Ms. Catherine Fife: You mirrored some of these concerns in your comments as well: The electoral officer said that this process, this committee's work must put the elector at the centre. The elector right now is inundated with government advertising, and I thank you for your—this obviously is going to get quoted at some point—"because the government advertising is never going to be truly impartial or critical of the government" idea. Sometimes, they advertise plans that haven't even been released yet, although that did change today, so that's good; it's out there now.

Do you want to comment—because the Government Advertising Act of 2015 significantly changed what a partisan advertisement is. I think it would be valuable for us to hear your input on that.

Mr. Fred Hahn: We did have a regime that made clear what could be done in terms of government communicating around issues with the public. The changes that happened recently have allowed for much more partisan advertising.

1910

One of the things that our more expanded written brief will talk about is what happens in other jurisdictions. There are clear restrictions in other jurisdictions around what government can and can't do and what government can and can't say about its own policies and programs in the lead-up to an election and during an election period. I think that's only fair and reasonable, because it would be unimaginable for any government to ever pay money to be critical of its own programs.

Ms. Catherine Fife: For sure. Thank you very much.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Rinaldi, you have 45 seconds for one quick question.

Mr. Lou Rinaldi: Wow. Okay.

Fred, obviously you play an important role within CUPE as part of the national CUPE organization. I'm sure you must talk to your colleagues about other provinces and how they do things. Do you have any advice you would give us to make Bill 201 a little bit better?

Mr. Fred Hahn: It's one of the things that we're going to be looking at more for the written brief, but for example, in Manitoba, there are quite clear limits around government advertising in the lead-up to an election and during an election. That's one example. And I think that there are guidelines at the federal level. It just makes good sense to have some consistency around things like contribution limits and that kind of stuff, because then the same rules apply in various elections here in this jurisdiction. It just makes good sense.

Mr. Lou Rinaldi: Thank you.

The Chair (Mr. Grant Crack): Thank you very much.

Mr. Fred Hahn: Thanks.

The Chair (Mr. Grant Crack): Thank you to the members of the committee and a special thanks to Mr. Hahn for coming before committee this evening. We appreciate your input.

Mr. Fred Hahn: Hopefully you don't have to sit until 9 o'clock.

DR. PAULINE BEANGE

The Chair (Mr. Grant Crack): The next presenter, and the last presenter for the evening, is by teleconference. We have with us, I believe, Madame or Ms. Pauline Beange. Madame Beange, are you with us this evening?

Dr. Pauline Beange: Yes, thank you.

The Chair (Mr. Grant Crack): All members of the committee are present to hear your presentation. You'll have up to 10 minutes for your presentation to the committee, followed by approximately 15 minutes of questions and discussion from the members of the committee. If you could please just take a minute to introduce yourself and where you're calling from, the floor is yours.

Dr. Pauline Beange: Good evening, members of the committee. I am pleased to participate this evening in your discussion. I completed my doctoral dissertation at the University of Toronto in 2012, so I do have a doctorate, and my research focus was comparing how party finance is regulated in Canada, the UK and the US. Since 2012, I have been teaching Canadian politics, public policy, parties, elections and so on at the University of Toronto, the University of Western Ontario and the University of Waterloo.

I have five recommendations or comments regarding Bill 201. I'm going to list these briefly. After that, I will sketch out my reasoning and make some comments on each, and then, of course, welcome your questions.

(1) My first priority is real-time reporting of contributions and spending by all political entities and third parties to Elections Ontario within five days of a trans-

action. Elections Ontario should upload or should commit to upload these reports to its website within 48 hours of receipt. This speed of reporting and availability of information is crucial to transparency and, I believe, would go far in eliminating the need for detailed rules, which go out of date all too quickly.

(2) Businesses and unions should be permitted to donate to political parties and political entities. Third-party spending is clearly consistent with charter freedoms. Any limits on third-party spending should be stated relative to, for example, spending by parties in the previous election, so that there is somewhat of a level playing field between political parties on one hand and third parties on the other.

(3) The greater risk in amendments and new legislation is in passing contribution limits that are too low rather than passing ones that are too high. In future, it will be easier to lower limits, politically, should that be necessary, than to raise them—again, should that be necessary.

(4) I believe that the proposed vote subsidy is too rich as it currently stands.

(5) Last, I would recommend that there is no inherent reason to follow federal policy in the area of election finance.

Now to background: According to my research, part of the problem that you are confronting with Bill 201 stems from the massive changes in legislation that occurred at the federal level in 2000, limiting third-party expenditures in federal elections and then in limiting and ultimately prohibiting contributions by unions and corporations to political parties and their entities in 2006. My research—

Interruption.

The Chair (Mr. Grant Crack): Ms. McMahon.

Ms. Eleanor McMahon: Can we get more copies of the—

Interjection: Right here.

Mr. Lou Rinaldi: Thank you.

Interjection.

The Chair (Mr. Grant Crack): Is she back? Welcome back.

Dr. Pauline Beange: Good evening again.

The Chair (Mr. Grant Crack): Yes, welcome back.

Dr. Pauline Beange: Yes, thank you.

My research suggests that the surge in third-party spending in Ontario since 2005, particularly by public sector unions, occurred because they were shut out at the federal level. Businesses, by and large, have not gone to third-party spending. While there have been some notable political contributions to parties by businesses, this is not true for the vast majority of publicly listed companies that operate in Ontario. Businesses seem to have gone the route of more lobbying, but not enough data is available to know if this was the case or not.

I mention this situation because you should be aware that there may be spillover, say, to local political campaigns from the controls proposed in Bill 201.

Second, political parties must not be starved of cash: They provide regulated rivalry of ideas and policies, and

hold each other to account. Parties are the primary link between citizens and the state. Parties educate about elections, mobilize voters, get people involved in campaigns and, of course, recruit candidates and leaders. Third parties do not and cannot provide the representation and voice of political parties, although, of course, third parties do contribute to policy dialogue.

I am concerned about the ratio of public funds via the proposed subsidy to hoped-for contributions by individuals, and I can comment on that later, or answer questions.

Briefly, again, revisiting my recommendations:

(1) Real-time reporting must be speeded up. What is now considered real time is 20 days during an election campaign, and third-party reporting does not occur currently until after elections. This is critically insufficient. There would be a strong incentive for parties and third parties to get it right on the first submission. And early availability of data within the election period from all actors not only provides transparency; it provides for earlier oversight by the press, citizens, policy think tanks and so on.

(2) Businesses and unions should be permitted to donate to political parties and political entities. To prohibit them from playing a role in parties is to encourage activities in other arenas, which may be more difficult to identify or, indeed, regulate. To prohibit them from involvement with political party finance also labels businesses and unions as having no value in public policy debates. The average Ontario electoral district, I believe, has approximately 86,000 eligible voters. Therefore, a contribution limit of, for example, \$5,000 to an electoral district association in an election—or 5.8 cents per voter—poses almost no risk of swaying a policy decision or suborning a candidate and, just as importantly, does not label either businesses or unions as “corrupting influences” when each of these make important contributions to Ontarians’ well-being. Similarly, a maximum contribution for businesses and unions of, say, \$25,000 in an election, against 9.2 million voters, would serve the same purpose with minimal risk.

1920

In Quebec, the long-standing prohibition on union and business donations to political parties has not served voters well. The Chief Electoral Officer of Quebec has, in the past, stated that the province’s party finance rules do not work. The findings of the Charbonneau commission suggest that eliminating businesses and unions from directly contributing to parties has not eliminated corruption or influence.

(3) The greater risk in passing contribution limits and third-party spending limits that are too low rather than in passing ones that are too high: In future, it will be easier to lower limits, should that be necessary. As well, it is my considered view that the proposed individual contribution limit is too low. While the number of individuals donating to political parties has definitely risen over the past decade or so, there is no basis on which to forecast that there will be a surge of individual donors to replace

business and union contributions. If I am correct, then parties will be left with too few resources to meet the challenges of an ever-changing electorate.

(4) The proposed vote subsidy: Parties, like individuals, need incentives in the right direction. If, as members, you recall the federal vote-based subsidy, a number of parties coasted on it. Second, the flow of contributions is the fastest, most accurate feedback the electorate can give to a party between elections, as to whether the party is responding to the public’s concerns and whether it is acting according to public sentiment. Granting too high a subsidy enables parties to coast and to lose touch with the electorate.

The last point, (5): Ontario policy on party finance need not follow federal policy. Federal policy surrounding party finance in the last decade or so was, at least in part, set on an ad hoc basis. Ontario has a unique, diverse electorate, and it is more important to consider those needs than to reach for congruence with standards set for Canada as a whole.

To close, I urge you to address public concerns regarding party finance and third-party spending, but most definitely not to throw the baby out with the bath water. Again, I believe the single most important amendment would be to emphasize speed of reporting for parties and third parties.

Listed on the brief you have before you is a link to a recent article I wrote in Policy Options magazine in May 2016, which gives a fuller background to these comments which I have just made.

I thank you for your time and will be pleased to take your questions.

The Chair (Mr. Grant Crack): Thank you very much, Dr. Beange. We appreciate your comments. We’re going to start with Mr. Hillier from the Progressive Conservative Party. Mr. Hillier.

Mr. Randy Hillier: Thank you, Doctor, for joining with us this evening. I looked over your recommendations. I have a problem with the initial paragraph in your background. You state that the problem and the motivation of Bill 201 stems from massive changes in legislation at the federal level. My view is somewhat different, and I think most people on this committee would have a different view: that the motivation for Bill 201 and the problem that we’re confronting is the exposure of cash-for-access and pay-to-play, the undue and disproportionate influence of wealthy contributors to the public discourse, not any changes to the federal level. Indeed, the Toronto Star has done a significant amount of exposure on this subject, as well as others, that has led to Bill 201 being introduced and being expedited. I think that’s where I would start.

The other: You mentioned that there should be spending by unions and corporate donations, with the fear of starving political parties of necessary cash. I don’t think there are any politicians here who want to starve our parties of cash. But the evidence is, at the federal level anyway, that with the elimination of corporate and union donations, the political parties have indeed raised

greater funds from individual donors than they were once reliant on union and corporate donors—if you could maybe respond to that.

Dr. Pauline Beange: Certainly. First of all, I did not mean to suggest that the primary motivation for Bill 201 was change at the federal level. I was speaking with regard to the surge in third-party spending in Ontario since 2005, so I apologize. I understand that, of course, one of the primary motivations for 201 was the problem of cash for access.

Secondly, I think that cash for access can be dealt with in a different way rather than overall contribution limits. It can be something that is tied into lobbying or reporting in some other way.

With regard to the federal parties raising lots of funds, that is quite true. That has happened. There has been a rise in the number of individual contributors and in contributions, but I don't think it's safe to assume that because this happened at the federal level, it will also happen at the provincial level. That would be my first observation.

My second observation is that broad-ranging research in Canada, the US and the UK shows that political contributions are something like a luxury good. People spend more on political donations, if you will, just as they will spend on some kind of a brand name watch, a Michael Kors purse or Kate Spade purse. Spending on political contributions does rise with income. I think it's unreasonable to assume that people on very moderate incomes are somehow going to respond to a change in party funding rules because of the merits. They'll respond as their income rises as opposed to because unions and businesses are shut out.

Mr. Randy Hillier: Okay. Well, the evidence states otherwise. There are political parties at the provincial and federal levels—very similar parties. We have different jurisdictions, but all jurisdictions that impact people, as well as businesses and unions. I don't know how we could make that leap of faith that something different is going to happen with provincial voters as compared to federal voters. As we see in donations from both Elections Canada and Elections Ontario, there's a huge overlap of people who contribute to both. The same people contribute to both.

You mentioned that Ontario's policy on party finance need not follow federal policy. Maybe you can clarify that. I recognize that it should not be exactly the same, that there are unique differences. However, for ease of understanding and compliance with the law, if there are broad-based similarities, there will be greater compliance, less errors, less unknowns and, of course, once again, just like the contributors to federal and provincial politics often overlap, the same applies with the people working on campaigns—the chief financial officers, riding associations etc. So some uniformity, I think, would be of substantial benefit to everybody.

Dr. Pauline Beange: I certainly can't disagree with your point on compliance because I know it can be very confusing. My research shows that it can be very

confusing for chief financial officers to distinguish between these—used party signs are an expense for one type of election and not for another and so on. I certainly wouldn't disagree with that, but I just think that Ontario is a different situation than many other provinces. It has a more diverse electorate. It has more public sector union workers. There are a number of differences that perhaps would not alter the outcomes but I suggest should be taken into account.

1930

The Chair (Mr. Grant Crack): Thank you very much, Doctor, we appreciate that.

We'll move to the government. Mr. Colle.

Mr. Mike Colle: Thank you, Dr. Beange, for being with us. Where are you calling from?

Dr. Pauline Beange: I am calling from Lake Kagawong, Manitoulin Island.

Mr. Mike Colle: God bless.

Dr. Pauline Beange: I live in the GTA, but I am here this week.

Mr. Mike Colle: Good for you—beautiful Ontario.

I guess the one thing that I'd like to get your further explanation about is that we had a glowing report about the wonderful system in Quebec and how we needed to copy the Quebec system, but I see where you have quoted the Charbonneau commission, which has suggested that eliminating unions and businesses from directly contributing to parties has not eliminated corruption or influence.

Do you want to comment on the Quebec situation and what we should keep in mind if we look at Quebec, as was suggested by another presenter?

Dr. Pauline Beange: I think, if you go back a few decades, when the Parti Québécois prohibited union and business donations to the party itself, it was necessity, not virtue, as Professor Louis Massicotte of the university of Laval has stated. They knew, with their separatist intentions, that probably unions and organizations that were nationally based would not give them, so it was not out of virtue, it was out of necessity.

But since that time, I think we have seen the “in and out” scandal at the federal level, for example, and in Quebec, the Charbonneau commission's testimony certainly revealed a lot of very unsavoury transactions having to do with party donations and so on and so forth. So I think that there is a significant risk in going to too low a donation level and following that route. I don't see what the merits are. I simply don't see the merits of the case of following the Quebec route.

Mr. Mike Colle: Yes, thank you. Also, it's interesting that you have quite a divergent opinion on limits. You feel that we should be very cautious in terms of what we do with limits for personal donations or contributions. Could you just expand on that?

Dr. Pauline Beange: Yes. Again, what some fairly recent research has shown is that political contributions, in a sense, are somewhat like charitable contributions. Now, in Canada, clearly, political donations receive a tax

credit; they don't receive any political tax credit in the U.S.

We do see a general pattern that lower-income people may give very small amounts, but generally speaking, political donations rise with income. That seems to be a fairly good predictor. They're what's called the "normal good." You consume more of it or spend more on it as your income rises. I don't think we can assume that if we set the limit on contributions low, that is going to draw forth contributions from low-income people. It will draw forth contributions, but not necessarily from low-income people.

Mr. Mike Colle: And finally, you also do emphasize that there is quite a unique character to Ontario, much different than PEI, Alberta or Newfoundland, and also the federal scene; that when we examine our options here, we should take into account the unique aspects that Ontario voters basically demonstrate.

Dr. Pauline Beange: Yes. I'd like to just make two points here. One is the number of languages that are present in a number of electoral districts in Ontario. With just a few cents per voter, it's very challenging to reach multiple language groups. The second is the high-density nature of a number of Ontario electoral districts and the difficulty that candidates and volunteers have in reaching people, particularly those with long commutes who aren't available over dinner time. That's the kind of thing that I'm thinking of that makes Ontario perhaps quite different than more rural ridings spread over the country.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to the NDP. Ms. Fife?

Ms. Catherine Fife: Thank you very much for a very succinct summary of your opinions on this issue. I must confess I was genuinely surprised to hear some of your recommendations, although I would say that New Democrats completely agree with your first recommendation around real-time reporting and disclosure. I think that this is the key piece to any policy going forward from this committee to ensure accountability. I think that that's one of the big questions that we'll be grappling with, going forward. I thank you for your top recommendation, which involves the speeding up of real-time reporting. You do point out, for very good reasons, that it's critically insufficient at this time.

Your comments, though, that business and unions should be permitted to donate to political parties and political entities, and then also your referencing of risk in passing contribution limits and third-party spending limits that are too low, quite honestly, caught me by surprise. No one has come in yet, or at least we have not heard from any delegation that thinks there isn't a problem right now in the province of Ontario where money buys access to politicians, to ministries and to governments.

You point out these two issues where you warn us, as a committee, that we don't want to set these limits too low because we'll starve political parties, but then at the same time, you say that the proposed vote-based subsidy is too rich. Remember the goal for us is to try to find a way to level the playing field for all political parties.

Would you mind expanding on these two issues, going forward?

Dr. Pauline Beange: Okay. Let me go first to "money buys access." I think we have to distinguish between someone who gives money to a political party and a different situation where the person is at a high-level, relatively intimate dinner with the Premier or a cabinet minister. I think those are horses of two different colours. If we leave the second one as in essence a matter of lobbying and so on, then for someone who lives in a community, is a relatively high-income individual and says, "You know what? I really like what X party is doing these days. I'm going to give them X thousands of dollars," I think that is a strong indication of participation, but it is not necessarily access. I would like to make that distinction.

Ms. Catherine Fife: Okay. Can I just respond?

Dr. Pauline Beange: Certainly.

Ms. Catherine Fife: Because you say that you view those two citizens as two horses of different colours. I think our challenge is to, for lack of better language, make the horses the same colour.

We want every government of every stripe, going forward, to view one citizen who has money to be just as important as one citizen who doesn't have money. That's the goal of this committee, I think.

I go back to what Mr. Hillier had asked you, as what started the work of this committee. Do you think it is appropriate for a cabinet minister to have a quota to raise within his ministry—

Interjection.

Ms. Catherine Fife: —from those stakeholders who are directly connected to that ministry and the work and the mandate that he has as a minister?

Dr. Pauline Beange: Okay. I think that probably unofficial, informal quota limits have always existed. However, if they are linked specifically to stakeholders that his ministry has a possibility of favouring, that is definitely inappropriate. Again, to me, that is more a lobbying issue, as opposed to a political one. I think it's inappropriate, but I'm not sure if this is the bill with which to deal with that.

Ms. Catherine Fife: So you would have us create greater oversight around lobbying. I guess that this gets to the definition of lobbying. If you're having an intimate dinner with the Premier, as you've just described, you can't discount the fact that there is lobbying going on.

Dr. Pauline Beange: I'm saying that that is exactly what it is, but I'm not sure that it's covered by the lobbying act. I'm not familiar with the details, but it seems to me that is lobbying.

Ms. Catherine Fife: I will look forward to your recommendations when the committee does come out with its final report around real-time reporting of contributions, because, from the presentation that you've given us, I think that's sort of where we would be focused from your perspective.

Dr. Pauline Beange: I think that would be amazing. I know that in the US, the Federal Election Commission is committed to uploading any data within 48 hours. I think

with technology and software as it exists today, that is eminently doable.

The Chair (Mr. Grant Crack): Thank you very much, Dr. Beange. We appreciate your insight and comments for the committee this evening. We wish you all the best up on Manitoulin Island.

Dr. Pauline Beange: Thank you. I've enjoyed our conversation.

Mr. Mike Colle: God bless.

Dr. Pauline Beange: Thank you. Good evening.

The Chair (Mr. Grant Crack): Thank you again.

Yes, we are on order of the House, but one of our colleagues, Mr. Hillier, has asked for a privilege to make a comment to the committee. Go ahead.

Mr. Randy Hillier: Thank you, Chair. Once again, in the spirit of collaboration and after a few days of hearings, I would like to propose to the committee to consider, after this week, in our subsequent weeks of committee hearings, that we have the opportunity for maybe a half-hour before the start of each hearing to have a discussion about what we've heard from the previous day's testimony and depositions—to, as a committee, have that open discussion to see if there may be things that we

would like to have the Clerk's office or other counsel provide clarification and details on from what we've heard. I think there would be some benefit in having an open discussion with committee members for approximately a half-hour.

The Chair (Mr. Grant Crack): Thank you for sharing that with us this evening. Of course, we cannot entertain any discussion or comments on that. We'll take that back—

Interjection.

Mr. Steve Clark: Leave it on the table.

The Chair (Mr. Grant Crack): If, in fact, we are to move forward on that suggestion—maybe I can call a subcommittee meeting, and if there is consent there, then it can come to committee for approval.

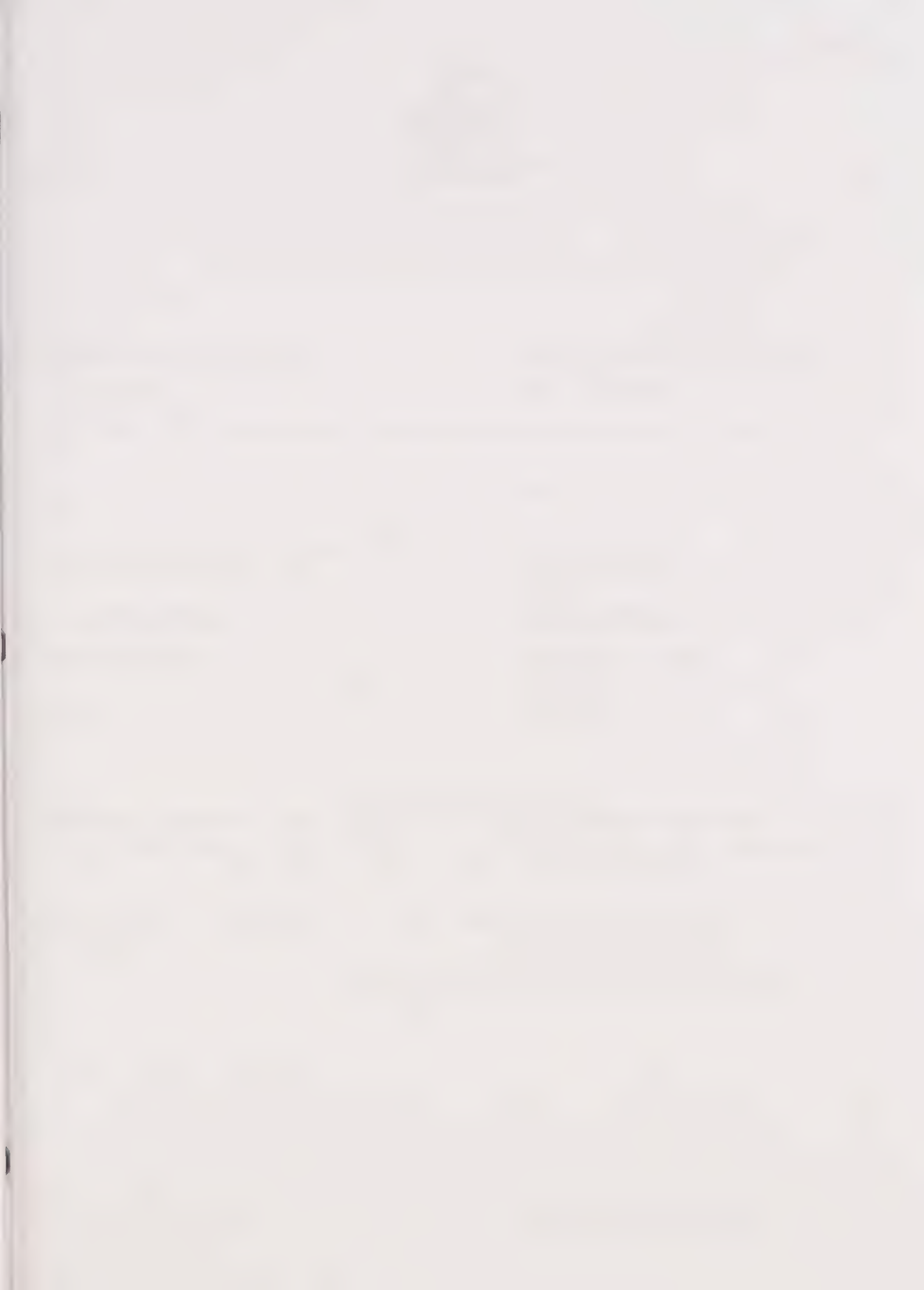
Mr. Randy Hillier: I just put the seed out for tonight.

The Chair (Mr. Grant Crack): It's a lovely seed.

Having said that, I want to thank all members of the committee who are here this evening and all the support that we have tonight and staff. Thank you to all the presenters.

This meeting is adjourned until tomorrow.

The committee adjourned at 1943.



CONTENTS

Wednesday 8 June 2016

Subcommittee report	G-1209
Election Finances Statute Law Amendment Act, 2016, Bill 201, Mr. Naqvi / Loi de 2016 modifiant des lois en ce qui concerne le financement électoral, projet de loi 201, M. Naqvi	G-1211
CUPE Ontario	G-1211
Mr. Fred Hahn	
Dr. Pauline Beange.....	G-1215

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G-59

G-59

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Jeudi 9 juin 2016

Standing Committee on General Government

Election Finances Statute Law
Amendment Act, 2016

Comité permanent des affaires gouvernementales

Loi de 2016 modifiant des lois
en ce qui concerne
le financement électoral

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Thursday 9 June 2016

Jeudi 9 juin 2016

*The committee met at 1400 in room 151.*ELECTION FINANCES STATUTE LAW
AMENDMENT ACT, 2016
LOI DE 2016 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LE FINANCEMENT ÉLECTORAL

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.

MR. GUY GIORNO

The Chair (Mr. Grant Crack): Good afternoon, members of the committee. Good afternoon, legislative research, Clerk, and Mr. Batty from Elections Ontario. Welcome, members of the committee and Hansard. I call the Standing Committee on General Government to order this afternoon.

As per the order of the House, we are going to be dealing with Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007. We have with us this afternoon Mr. Guy Giorno. I'll let him introduce all that and the firm that he's with.

I'll just remind members that Mr. Giorno has up to one hour for his presentation, followed up to an hour of discussion. We will adjourn at 4 p.m. or earlier, if that's the case.

At this particular time, I would like to welcome Mr. Giorno to committee this afternoon. You have up to an hour.

Mr. Guy Giorno: Thank you, Chair, and, through you, thanks to the members of the committee. Thank you, in particular, for the invitation to appear before you this afternoon.

I thought I would begin, as the Chair suggested, by introducing myself and explaining a bit of my background. I am a partner in the law firm Fasken Martineau. I say at the outset that the comments I make during your deliberations today are made in an individual, personal capacity. I don't speak for my firm or any other organization or entity or person.

My legal practice is devoted to the areas of government transparency, government ethics, government ethics

law, and political law, including election law and campaign finance law.

I know that the Chief Electoral Officer, when he spoke to you earlier this week, mentioned an organization called the Council on Governmental Ethics Laws. It's my honour to be completing a four-year term on the steering committee of that organization. As the CEO mentioned, he is a former president of that organization. That's an international body, drawn primarily from Canada and the United States, which is devoted to five areas of ethics and ethics law, many of which are relevant to the subject matter of your consideration. The Council on Governmental Ethics Law focuses on the law of elections, the law of campaign finance, the law of public sector ethics, the law of lobbying and the law of freedom of information. Through that organization, I have had exposure to a number of other lawyers—American attorneys—who practise in this area.

In addition to my legal practice, where I routinely advise on matters of this nature, I also have experience serving as a former chief of staff to a Premier of Ontario and a former chief of staff to a Prime Minister of Canada. I also have experience in leading campaigns.

I am a fellow of the Riddell school of political management at Carleton University, where I teach a master's level course on political campaigns. I am also a fellow of the University of Toronto School of Public Policy and Governance.

You may, and probably will, have witnesses before you who have greater depth of experience in campaigns or greater depth of experience in government or people like the Chief Electoral Officer, who spent their entire careers focusing on election law. But I think that I bring a unique perspective as somebody who is a lawyer whose practice is based on these laws but who also complements with campaign experience in my past and governmental experience in my past.

It's on that basis that I was pleased to accept the invitation to come before you and address some of the key issues that arise from Bill 201.

I thought I would begin by identifying four principles that are common to election campaign finance laws across Canada. There are jurisdictional differences, and Bill 201 is a piece of legislation that exhibits those differences, but there are also some fairly consistent and important principles that apply—federal, provincial and municipal—to all areas of campaign finance law in

Canada. The reason I identify these principles is because they provide an important litmus test or basis on which to assess the various provisions in Bill 201.

The first is transparency. Universally in Canada—every law—it's accepted that those who contribute resources or money to the political process must do so openly and publicly. There must be disclosure of who they are and how much they've contributed.

Integrity is the second important provision. It follows from the first. If there's disclosure of who is contributing and how much they've contributed, all laws recognize that that must be the person's own money. The disclosure must be of funds that actually belong to the person given freely, not forcibly, to a candidate or political party. And they can't be the funds of another given circuitously for that purpose. Again, that's a principle that's accepted in every Canadian election finance law.

The third principle, which is common to all laws, is the principle of uniformity. We draw a definitional distinction between monetary contributions and non-monetary contributions but the philosophy of the law and the principle of the law is that whether money is given or other things of value are given, they're all valued and treated as contributions and they're all subject to the other rules. That's an important principle. I'm going to talk about that later because not every aspect of the current law meets that principle squarely.

The fourth principle I know is one that other witnesses have talked about, including the CEO. It's the principle of fairness, the principle of a level playing field, the suggestion that it's essential to our democratic process that everybody play by the same rules and that we actually build into the rules obstacles, disincentives or barriers that prevent people from trying to game the system or circumvent the rules.

Those are the four common principles. There are, on the other hand, several areas where different jurisdictions have different approaches, areas where policy-makers and lawmakers can choose to do any number of things. Eligibility to contribute is one of them. Who is permitted to make contributions? What types of entities? And what types of individuals are permitted to contribute?

Should there be spending limits on candidates and parties, and if so, what should they be?

Should there be limits on contributors or on contributions being made? If so, what should those be?

What are the acceptable sources of campaign funds for political parties and candidates, and to what extent should those sources include public financing?

Finally, how should third-party advertising be dealt with?

The four principles identified are uniform across the country. These five policy fields are areas where there is going to be legitimate debate about the correct approaches.

I want to turn first to eligibility to contribute. I'll begin by talking about where one has to be located. The approach of most jurisdictions in Canada, including Ontario and including the federal jurisdiction, is that a contributor

has to be from the place—from the country, in terms of Canada, or the province—where he is contributing. You'll see that that's not universal. There are some provinces that allow out-of-province, even out-of-country, contributors, but Ontario's not one. As you know, Bill 201 doesn't propose to change that.

Still on the issue of who's eligible to contribute is the issue that's raised squarely by Bill 201, and that is whether corporations should be permitted to make contributions. You'll see from the preponderance of green on the slide that most provinces do still allow corporate contributions but that's not permitted at the federal level. It's not permitted in four provinces. I think it's a welcome reform for Ontario to join the growing list of jurisdictions that no longer permit corporations to make political contributions. I did want to put up this slide on the map to point out that in this respect Ontario is a leader, that Ontario is joining—still a minority—a growing group of jurisdictions that have outlawed corporate contributions.

1410

The outlawing, or the banning, of corporate contributions leads to another related policy question, and that is: Is anything needed to replace those contributions? This leads to the discussion of whether additional public financing is required. When we talk about public financing, it's important to recognize that taxpayer subsidies, or taxpayer allowances, paid directly to political parties are not the only form of taxpayer financing which is injected into the political system.

As the map before you shows, in addition to some jurisdictions which pay allowances directly to parties, we have reimbursements to candidates—some jurisdictions will reimburse candidates for a share of their spending—and some jurisdictions will reimburse political parties for a share of their spending. And I haven't put tax credits, which are another form of public financing, on this map because every territory, every province and federal jurisdiction provides tax credit subsidies. I've not updated this map to reflect Bill 201. You'll see that Ontario already provides reimbursement to candidates—the thresholds are going to be changed by Bill 201, or are proposed to be changed—and to parties. You'll also see that some provinces don't do any of that. Some provinces don't have any reimbursement.

In the west, in the territories—Nunavut and Northwest Territories have no political parties, but the territories provide reimbursement neither to candidates nor to parties for their spending, nor do the western provinces.

I put this before you to emphasize that the question of allowances paid direct to parties, yes or no, cannot be considered in a vacuum because parties and candidates are already receiving other forms of public subsidy through the reimbursement of expenses—which Bill 201 proposes to change by lowering the threshold—for candidates and through the very supportive and encouraging tax credit system, which encourages individuals to contribute to the political process.

When one looks at a direct subsidy paid to political parties, one of the challenges is that it's very hard to

conceive of a mechanism for calculating that subsidy except on a per vote model. I'll say at the outset that I don't agree with the calculation on a per vote basis, but I do concede that intellectually it's hard to think of a basis for calculating a subsidy, other than on a per vote basis. When you look around the rest of the country, you'll see that the per vote model is used, in whole or in part, in every jurisdiction. New Brunswick, Nova Scotia and Prince Edward Island—the three Maritime provinces—use exclusively a per vote calculation to determine the subsidy.

Quebec uses a per vote calculation, but on top of that, Quebec also provides, at certain levels of fundraising, matching funds. I believe two and a half dollars per dollar—it's very attractive matching—for the first \$20,000 raised, and then dollar-for-dollar for the next \$200,000 that are raised.

Manitoba is the only province that has deviated from strict per vote subsidies. The per vote calculation is an element to their subsidy, but the first basis of the calculation is a fixed amount per candidate fielded in an election. On top of that, the remaining funds—and Manitoba allocates a certain amount of money each year for political subsidies—is then divided among the parties on a per vote basis. Also, a unique feature of Manitoba law—I suppose other laws, even though they're silent on this matter, could allow parties to opt out: Manitoba expressly, in its legislation, provides that parties can decline to accept their per vote subsidy.

The question, of course, is: Is this fair and is it necessary? I'll turn to the necessity in a second, but I'll start by talking about the fairness. My concern with a per vote subsidy—while I admit that intellectually it's difficult to think of too many other ways to calculate them—is that it flies in the face of the democratic principle that office is something that must be earned and re-earned at every election. Just because a candidate—party—received an individual citizen's vote in 2007, 2011 and 2014 does not mean that that party has automatically earned the right to be voted for again in 2018.

In the eyes of the democratic system, all parties and all candidates are equal. At an election, the incumbent is as equal as a non-incumbent. A candidate who has never held office is as equal as one who is seeking election for the second, third, fourth or multiple time.

The problem with a per vote subsidy is that it gives an additional head start, right? It gives a leg up on earning votes again—which everybody should be doing by starting fresh, starting new—to those who got votes last time. Of course, there's no intellectual or principled reason why somebody who got a vote last time should have a financial head start, or an extra head start, to getting votes the next time.

That's not to say that there aren't advantages to incumbency. That can't be changed. Incumbent MPPs are going to have advantages over non-incumbent challengers, and incumbent governing parties will have advantages over opposition parties. But that fact, which nobody can change, is not a reason to give an additional

head start—a financial head start—to parties that got more votes last time which is not enjoyed on the same basis by parties that got fewer votes last time.

The next challenge: I've heard it said that when people vote for a party, they're agreeing with that party, and therefore they're agreeing that that party should be financed. Of course, that's a ridiculous assertion. Individual Ontarians who go to the polls and put an X beside a candidate's name are directly saying nothing more than that they want that individual to be their member of the Legislative Assembly, representing their riding. They're electing one person for an office, and indirectly, they're deciding which party they want to govern the province. But there is no basis on which we can abstract from a vote for an MPP—and indirectly, a vote to form a government—to say that that was, in addition, a decision that the voter also thought it was a good idea to give that candidate's party taxpayer dollars for the purpose of seeking re-election the next time. It's an argument, really, that only a politician could construct, because there's no other basis for suggesting that a vote to put somebody in office equates to a vote to give taxpayer money to that person's campaign, or that party's campaign, four years later.

In any event—and the committee members will have their own views on whether this is a principled approach, and Ontarians may disagree on this—the evidence is clear—well, even if it's not. Even if we can disagree on whether it's fair and reasonable, it's not necessary. We have to look at the federal experience, which determines whether or not it's necessary, because there were, as members will know, federal per vote subsidies which were phased out gradually, starting in 2011 and ending in 2015. The experience of the major parties that were affected by that confirms that not only were they able to withstand the fundraising challenge caused by the elimination of the per vote subsidy, but they were able to thrive and do better.

Look at each party in turn. The light-pink shaded area on the chart is the amount of the per vote subsidy enjoyed by the Liberal Party of Canada. You'll see it declines to zero. The dark red is the amount of money they fund-raised from contributors—and, I will add, they fundraised from individual contributors, because at the federal level during this period of time, corporate contributions were banned and union contributions were banned. You'll see that the Liberal Party of Canada not only offset the loss of the per vote subsidy; they did far better than they had when they were receiving it.

The Green Party: Light green, declining to zero, shows the per vote subsidy. Dark green shows the amount that the Green Party of Canada raised from individual contributors. Again, the Green Party was not only able to withstand the loss of the per vote subsidy; it did better than when it was receiving it, and did better in total. Adding subsidy plus contributions, the Green Party did better, with no subsidy and contributions, in 2015.

The federal NDP: The light orange shows the amount of the per vote subsidy, declining to zero. The orange

shows the amount they raised from human people. Again, the federal NDP not only was able to withstand the loss of the federal per vote subsidy; it did better. Again, this is in an environment where there were no corporate contributions and no trade union contributions.

The Conservative Party of Canada: The light blue shows the per vote subsidy, declining to zero. The Conservative Party of Canada is the only party which did slightly worse in 2015 in total than in 2011, but I think those who remember the events of 2015 might speculate that there were other things going on in that year that may account for the difference between 2011 and 2015. The fact of the matter remains, though, that another major political party was able to withstand the loss of the per vote subsidy and more than make up the difference by going to individual contributors.

1420

I realize that political parties in Ontario—I was involved in running campaigns for one of them a couple of decades ago—may have a hard time today. In the days when it's possible to go to corporations and get corporations that want to do business with you and need to meet you, it's hard to conceive of how, in the absence of those corporate contributions, one might be able to finance a political party. But the federal experience shows that not only is it possible, but it is realistically plausible to predict that that will be the effect.

In fact, in the absence of corporate contributions, these federal parties—Greens, NDP, Liberals, Conservatives—are able to finance campaigns on the basis of average contributions from individual, human people that are very small. The Conservative average, the largest of the four major parties: \$150 per individual donor. The Liberals: \$124.64 per donor. The NDP: \$98 per donor. The Greens: \$84 per donor.

So if anyone comes before this committee and says that public subsidies, public allowances, are necessary because otherwise only rich and wealthy Canadians, or in this case rich and wealthy Ontarians, giving the proposed maximum of \$1,550, inflation-adjusted, to parties and \$1,550 times two, inflation-adjusted, to riding associations or candidates—only the wealthy can contribute, the evidence is to the contrary because federal political parties do just fine with average donations that are nowhere near that scale.

The average federal donation, give or take, is \$100 and change, or it's under \$100—maybe more than \$100. That will be the experience of Ontario political parties once corporate contributions are banned. As to whether the parties need a small adjustment period phased out to zero over time, I'm not going to argue that that is unnecessary; maybe it is necessary. But the suggestion that parties might need permanent subsidies or subsidies increasing is absolutely belied by the federal experience. Parties have done just fine without corporate contributions and without subsidies.

The next issue addressed by Bill 201 is that of contribution limits. I'm not going to say much about the contribution limits other than to say that the new proposed

limit puts Ontario roughly smack in the middle, and well-positioned. It's certainly not the lowest in the country. Quebec's limit is by far the lowest. It matches, as you know, the federal limit, and there are many provinces that have much higher thresholds and, in some cases, no limits.

On this particular slide, I've also doubled the contribution, assuming that under the current Ontario regime, an individual can contribute his or her annual amount and then can contribute another amount in an election period—and there could be more than one election period in a year. I've actually been modest in suggesting a period of time in which there are two election periods with the current threshold of \$19,950.

Other than congratulating the minister and the government for introducing what I think are reasonable limits, I won't say much more on contribution limits. I will, however, as we talk about contributions and the valuing of contributions, talk about an important issue of transparency and fairness, or lack of transparency and fairness. At the outset, I will say to the members of the committee that this is not a problem caused by Bill 201. It is a problem that exists in the Election Finances Act today, and the problem with Bill 201 is that Bill 201, as currently drafted, fails to take the obvious and necessary opportunity to fix it. The issue is paid time off.

The definition of “contribution” in subsection 1(1) of the act, which is amended slightly, and I've placed before you some red lettering to show the very slight adjustment to the definition of “contribution”: The definition of “contribution” as it exists, and as it is not fixed by Bill 201, has a problem because in clause (b) of the definition of “contribution” we have an exclusion from contribution of a service or action performed for a political party, etc. etc., “by an individual voluntarily, so long as such individual does not receive from his or her employer or from any person, corporation or trade union pursuant to an arrangement with the individual's employer, compensation in excess of that which he or she would normally receive during the period such service was performed.”

I don't know the original intent of the drafting of that language, but I know, and I think committee members have already heard, how that language is interpreted and given effect on a campaign-by-campaign basis. As evidence of that interpretation and how this law has been interpreted and applied for decades, I refer to the handbook issued by Elections Ontario. The handbook makes very clear that an employee can be paid by her or his employer full pay—as long as it's not extra pay—and get that paid time off and give services—an hour, a day, an entire campaign's length of services—paid by the employer, and that time is not treated as a contribution from the employer to the campaign of the political party and is not treated as a contribution from the individual to that political party, so long as the individual agrees to do it.

The current system in Ontario is that if an employee—a partisan activist—asks his or her employer for four

weeks off—the length of a campaign—to donate services to a political party—actually, they can take off weeks before a campaign as well—and as long as the employee does so freely, the payment by that employer of the salary, the wages and the benefits is not a contribution, is not booked and is not recorded.

Ontario is one of the few provinces to permit this travesty. There are provinces in which it's illegal for a corporate employer to pay its employees to work on a campaign. The federal jurisdiction is one of them. Quebec is one of them. Manitoba and Nova Scotia are the other two. There are other provinces which permit employers to give people paid time off to help political parties, but in those jurisdictions there's full transparency. It is acknowledged for what it is. It's acknowledged as a contribution. It is disclosed; it's transparent. In jurisdictions that have contribution limits, that contribution is subject to those limits.

Only in Ontario and in PEI, which has the same language, although I don't know how it's interpreted or if it's ever an issue in PEI, and in Alberta—though in Alberta, they have a blanket exemption that no donation of any services of any kind are contributions. So practically speaking, only in Ontario do we have a situation where major political parties can have their campaign headquarters populated and run by employees of corporations and not have those corporations disclose in a transparent fashion the amount being spent.

I know that some people who approach this issue see it as an issue of backdoor corporate contributions, and it is. If you're going to outlaw corporate contributions of \$9,950, why would you ever let corporations give tens of thousands and hundreds of thousands of dollars of indirect contributions in the form of salaries to main political parties? But to me, it's more than that; it's an issue of transparency. When you say that this paid time off is not a contribution, not only is it uncapped; it's also secret. There's no reporting of it. There's no disclosure of it. No one knows how much each of the three main political parties received in dark-money contributions, being the salaries and the benefits paid to people who were running their campaigns the last time.

1430

I've been around as long as many members of the committee have, and we know why this loophole has not been closed. The loophole has not been closed because all three parties have benefited from it—Liberals, PCs, NDP—and nobody wants to stop receiving the free, secret, undocumented, unrecorded, undisclosed gifts of hundreds of thousands of dollars in staff salaries to run their central provincial election campaigns. But that doesn't make it right.

As the CEO pointed out, this is the first major overhaul of election financing in Ontario in 40 years, and this aberration has to go. There is no principled basis on which political parties can continue to benefit from the secret contributions, the dark money, the indirect contributions of staff time paid for by big corporations and consulting firms who are loaning their employees to run

the political campaigns of the parties they are going to turn around and lobby once in office.

Still on the subject of transparency and fairness is the issue of government resources. There is a provision in the Canada Elections Act, subsection 321(1), that says, and I'll read it verbatim, "No person shall knowingly conduct election advertising or cause it to be conducted using a means of transmission of the government of Canada." That's in the federal law. It was never in the Ontario law. It should be.

I then turn to the issue of spending limits. Limits can be of three kinds: limits on spending by candidates, limits on spending by political parties and limits on spending by third parties.

You'll see that limits on spending by candidates and parties are fairly universal. The only jurisdictions with no limits of any kind are Yukon and Alberta. There are no party limits in Nunavut and Northwest Territories because they don't have parties. But you'll see that third-party spending limits are employed in only half of the jurisdictions: federal, British Columbia, Quebec, Manitoba, New Brunswick and Nova Scotia. Ontario is middle of the pack—middle of the pack in not regulating third-party spending. We'll be middle of the pack still in regulating third-party spending.

I'm not really going to comment on what those limits should be. I am going to comment on an important principle of equality of law, and that is, if Ontario is going to begin to limit third-party spending, it's absolutely essential, as a matter of fairness, that the base on which spending limits are applied is uniform and fair. That's true of party spending limits and it's true of the manner in which we deal with third parties. I'm going to talk first about party limits, then move on to third parties.

You'll note—and the Chief Electoral Officer acknowledged this—that, at a particular point in time in history, maybe by a minister or a staffer, the act was amended to add two exemptions to the definition of campaign expense. This was research and polling, and travel.

The largest five expenditures in any central campaign are the leader's tour, research and opinion polling, direct voter contact, staff salaries and advertising. I've shown the pie with all the pie slices the same size. Advertising is the biggest of those, but these are five major categories.

The problem we have right now is that two of those categories aren't subject to limits. Whether you believe the limit should be one dollar or a gazillion dollars, that doesn't matter as much as the fact that the limits have to be applied on a consistent base. If we say there are going to be spending limits and then we say that two of the five most important expenditures of a party are somehow not counted by that base, where is the fairness there and what's the justification for having limits on some things but not other important things?

Then, for another slice that we talked about, there's the staff loophole that allows parties to reduce their staff expenditures by having big corporations and consulting firms donate the free time of their paid staff; right? So we've now got three of the five major campaign

expenditures of central campaigns somewhat challenged in a regime where we claim that we are regulating spending: two, because they're exempted entirely; and another one is staffing, because we allow the secret contribution of corporations and consulting firms, who give their employees away for free.

Still on the issue of fairness and a level playing field, I wanted to draw the committee's attention to an issue related to the new definition of political advertising. The new definition will be in subsection 1(1) of the act. It would be enacted by subsection 1(4) of Bill 201.

You'll see—I've got text in red there—the addition of all sorts of language which, first of all, adds issue advertising to the definition of "advertising," if the issue is one on which a party or a candidate is associated, and then adds five exceptions, or five situations, in which advertising is not political advertising. It's listed there: an editorial, a book, the transmission of a document etc.

I think it has been said, and the CEO did make this clear, that this is based on a federal definition. The attempt has been made to take the federal definition and import it to Ontario. Federally, it's called "election advertising." Under Bill 201, it's called "political advertising." It's essentially the same definition, with only a few interesting features that are different.

The first is that in the federal definition—I'm referring to clause (b)—we exempt from the definition of "advertising" a book or the promotion of a book, but federally, that exemption only applies if the book was planned to be made available to the public regardless of whether there was an election. In other words, books are exempt from the definition of "advertising" unless the publishing of the book is a sham and it's really a campaign tactic. So if the only reason for the book is that there's an election campaign, that's not exempt under federal law. Curiously, Bill 201 omits that exception to the exemption.

The second issue is that federal law provides for an exception if groups or persons transmit documents directly to their members or their employees or their shareholders. Bill 201 mirrors that language, except the difference is that "person" is defined differently by Bill 201 than by the Canada Elections Act.

The key distinction there is that under federal law, "person" in this part of the Canada Elections Act still includes a corporation, whereas in this part of Bill 201, "person" does not include a corporation. So there's an exemption under federal law for a company that wants to send a flyer to its employees or to its shareholders. The language is there in Bill 201, but because corporations aren't persons, corporations aren't exempted if they send flyers to their employees and their shareholders. And yet, because unions are groups, unions can send flyers to their members under federal law and also under Bill 201. So there's a lack of harmony there in an attempt to borrow federal concepts.

I laud the attempt to borrow the federal concepts, but there has been some loss of some language in clause (b), and then there has been the use of the word "person" in

clause (c), which means different things federally and provincially. These are things that can easily be cleared up with amendments, but that cleaning up of amendments is essential to ensure that the playing field remains level.

A summary of what I've just said is that a union's communications with its members are exempt from the definition of "political advertising"—and, I would say, as it should be. That is as it should be. That is as it is under federal law and as it should be under provincial law. But a corporation's communications are exempt under federal law but not under provincial law.

I then wanted to talk about section 22, which treats some kinds of advertising as contributions to campaigns. This is advertising which, in certain circumstances, is treated as a contribution, or advertising which is simply treated as advertising by a party.

1440

The current law is pretty much the same as what Bill 201 proposes, except that, because Bill 201 is bringing in nomination contestants under the act as a reference added to nomination contestants—leadership contestants were already under the act, but because they're now being brought more fully under the act, there's a reference being added into section 22 to leadership contestants, and references to corporations and trade unions are being removed.

A contribution that is described in that way—that is, advertising that promotes a party or a candidate "is provided or arranged for by a person with the knowledge and consent of the party ... candidate," if its value is over \$100, is treated as an expense of the party or candidate. That's an important point of fairness. If someone other than a candidate or someone other than a party takes out an ad promoting the candidate or promoting the party, and they do so with the party's knowledge and consent or they do so with the candidate's knowledge and consent, the existing law's and Bill 201's attempts are quite reasonable. If it's done with the candidate or party's knowledge and consent, it should be treated as a contribution to the candidate or party. That's what the current law attempts to provide and that's what I think Bill 201 attempts to provide, except there are some problems.

The first problem is that subsection (1) no longer applies to advertising by corporations and trade unions. It used to be that if a corporation took out an ad saying, "Guy Giorno is great," and I knew about it and consented, that would be treated as a contribution to me. But now, because we're taken corporations out, that corporation can do so without it being a contribution to me when, by any sense of fairness and level playing field, if I knew about it and I consented and it's promoting me, it should be treated as a contribution to me.

It is true that there is a new section added later on in the bill—and I'm referring to what will be subsection 37.10.1(4) of the act, which would be enacted by section 40 of the bill. It says that it would be illegal for a corporation to do that; it would be illegal for a corporation to take out that ad promoting me.

But there's an important piece missing. What we have talked about all along, as an important principle of

election law, is this idea of fairness and a level playing field and no circumvention. So that principle in the Election Finances Act, as it now stands, and in federal law and in most other jurisdictions, manifests itself in restrictions on all the players. If a corporation is going to take out an ad promoting me, it has legal responsibility for that, and I, as a candidate, also am going to bear responsibility in terms of a contribution or an expense. It's not just focusing on the person taking the ad out that benefits me; if I benefit, I as the candidate or I as the party am also subject to the law.

The problem with the drafting of Bill 201—because the law says that if a corporation takes out advertising benefiting a candidate or a party with the knowledge and consent of that candidate or party, the corporation is breaking the law. But it's not counted as a contribution to the candidate, and if it takes place during an election campaign, it's not treated as an election expense of the candidate or of the party. Again, when we deal with section 22, we're not talking about accidental happenings; we're talking about corporations that run ads that promote people with the knowledge and consent of the people they're promoting. Under the current law, again, that would be a contribution and an election expense. Under Bill 201, the corporation would get in trouble because they would be breaking the law, but there would be no consequences for the candidate in terms of a contribution and additional spending towards the cap, and in the eyes of the party, no contribution and no spending towards the cap, when, of course, if there was knowledge and consent, there should be.

The solution to this is to expand the concept of a deemed contribution and a deemed expense to include that sort of advertising, even when it is conducted by a corporation or a trade union. The law says they shouldn't do that, but if they do do that, it's got to go to the bottom line of the party or the candidate, particularly when—and I stress this again: We're not talking about things the parties didn't know about; we're talking about parties and candidates being complicit in this advertising because it's done with their knowledge and their consent.

That leaves the issue of third-party advertising. The first observation I want to make is that federal law gets at collusion between parties and third parties from all ends. It says that a third party can't mess around with the rules, or skirt the rules, to try to evade the third-party spending limit; it's true. But it also says that parties and candidates can't mess around—that's my word; "collusion" is the word in the statute—with third parties to evade the party spending limit and the candidate spending limit. In fact, that is the more realistic concern.

It is good that federal law—and Bill 201 will mirror this—will prevent people from splitting third parties into two pieces to avoid the spending limits. But realistically, the public debate over the harm or the avoidance of third-party spending limits has never focused on the limits on the third parties so much as on parties and candidates using and abusing third parties to run advertising which is really advertising for the parties and for the candidates under the guise of third parties.

Federal law prevents that by saying that a party cannot skirt or evade the party spending limit by dealing with a third party and getting a third party to do its dirty work. Federal law says that a candidate can't evade a candidate spending limit by playing footsie with a third party and getting a third party to do its dirty work. These are real potential harms that the federal Parliament has rightly legislated against.

Yet for some reason, Bill 201 doesn't address that. There is an anti-collusion provision which says you can't mess around to avoid or evade these new spending limits on third parties; it's a thing. But there's nothing there that says a party can't put up a front third party to evade the party spending limit, and there's nothing that says a candidate can't put up a sham third party to evade the candidate spending limit. This is, of all the omissions in Bill 201 and the attempt to mirror the federal law, the most egregious omission because the harms that I'm talking about, the harms that federal law legislates against, will easily befall the Ontario system unless those loopholes are closed.

I've used the words "skirting around" or "messaging around." The actual legal term used federally and in the one section of Bill 201—which should be used in three places, but it's only used in one now—is "collusion." Even then that doesn't go far enough, because as I think the Chief Electoral Officer said to you, and I'm going to reinforce the point, collusion is too high a threshold. To find collusion, to prove collusion, the prosecution would have to prove a deliberate, knowing scheme between a third party and a party to circumvent the limits, or a deliberate scheme between a candidate and a third party to circumvent the limits.

In the US—when we talk about the United States, it's important to recognize that with one federal jurisdiction of 50 states, there's a lot of variety in US election and campaign finance law, but let's take the US federal example and the states that deal with this. They do not set the bar so high. When they try to prohibit playing footsie, if I can use that term, between candidates or parties and third parties—or PACs, as they would call them—they set the bar much lower, and they set the bar at the level of coordination.

You're going to say, "What does coordination mean?" I think the CEO was asked this. Well, at the US federal level, the FEC says that coordination is any of a lot of things. If a party or a candidate suggests that something happened and the third party does it, that's coordination. If the party or the candidate or agents of them are talking to a third party about where you might run the ads, what types of ads you might run, whether you use radio or TV or Internet, what the timing should be or the frequency—any of that discussion—that's coordination.

1450

If there is discussion about a topic and that third party runs off and runs an ad on the topic, that's coordination. If the party and the third party use the same vendor, the same ad agency or the same people to do the design or to run the campaigns, that's coordination. If somebody

leaves the employment of a political party and then goes to work for a third party or if somebody is a contractor for a campaign and goes to work for a third party, in the United States federally, that's coordination.

These are the sorts of ills or public policy challenges that Ontario law should be addressing, not setting the bar so impossibly high that no prosecutor will ever prove that a party and third party colluded. Again, the issue here should not be sending somebody to jail. The issue should simply be making sure, if there is coordination, that the party has those expenditures counted towards its cap and the candidate has that spending counted towards their cap.

Yes, that might lead to prosecution and incarceration. The point of the matter is that I'm not suggesting that coordination should be a lower bar so more people are prosecuted; I'm suggesting that coordination should be a lower bar so that more expenditures that are properly party expenditures and that more expenditures that are properly candidate expenditures are assigned to the parties and the candidates and not hidden as the expenditures of third parties.

There is another technical glitch in the new subsection 22(5) of the act, enacted by subsection 16(2) of the bill, where the elimination of corporations and trade unions actually removes a requirement that people who are running third-party ads provide information to broadcasters and publishers. Surely that was not the intention, because corporations and trade unions can still be third parties under this bill, so presumably the Legislature would still want them to comply with subsection 22(5).

I now want to switch to the issue of integrity, which, as I said, is a principle that is important in all Canadian jurisdictions, and talk about some of the things that Bill 201 does not address. The largest omission is the intersection or the overlap between political fundraising and lobbying. Now, I've already talked about what happens when consulting firms are allowed to donate weeks and weeks of employees' time to the major political parties to run their campaigns. But there are issues, as well, involving the intersection of lobbying and fundraising.

At the federal level, this problem has been addressed in myriad ways. The Lobbyists' Code of Conduct actually makes it a problem for a lobbyist to fundraise for a politician and then to turn around and lobby that politician. That rule was affirmed by the Federal Court of Appeal in one case. There have been several investigation reports by the Commissioner of Lobbying finding that lobbyists have broken the rules when they try to raise funds for the people they lobby or lobby people for whom they raised funds.

In addition to that—and I think that you've had handed out an excerpt from Open and Accountable Government. These are the Prime Minister's guidelines for members of his government. They also deal with the unacceptable link between fundraising and lobbying: fundraising off of lobbyists or letting lobbyists do your fundraising.

Finally—and this is another handout—the federal Conflict of Interest and Ethics Commissioner has dealt

with this in her interpretations under the Conflict of Interest Act and the Conflict of Interest Code for Members of the House of Commons.

Just to speak to a few of them: Annex B in Open and Accountable Government is entitled "Fundraising and Dealing with Lobbyists: Best Practices for Ministers and Parliamentary Secretaries." I'm proud to have drafted the first version of this. It's a sign, I think, that these are, on a non-partisan basis, the right thing to do or the validation of these guidelines that when Prime Minister Trudeau reissued the book in which these guidelines were found, he changed other portions of it but he left annex B—the rules on fundraising and lobbyists and why the two cannot mix—unchanged and intact as a validation of the fact that they set the gold standard as best practices.

You'll see a very high bar which is set here, with a broad definition of stakeholder: A minister's stakeholder is anybody who works for an entity that has an interest in the minister's department and anybody who works for a company that might be lobbying the minister or his or her staff. The rules that Prime Minister Harper first and Prime Minister Trudeau now sets for ministers is that you can't have any stakeholder of your department—or Ontario ministry—on your fundraising team, on the executive of your riding association or on your campaign team. You can't use stakeholder lists for fundraising. You can't target people who are stakeholders of yours when you want to raise funds. If you have a fundraising reception, you can't discuss government business there. You can't have any lobbying there. These are the federal practices, as I've said, under Prime Minister Harper, confirmed and continued by Prime Minister Trudeau. There's no reason that those principles do not apply in Ontario, but we have no rules of any sort.

I've also distributed the very recent guidance from the federal Conflict of Interest and Ethics Commissioner's report dated April of this year, where she goes so far as to say that if you're a government official and some company or some person who works for a company who gave your riding association money appears before you and you've got to make a decision in an official capacity, you must recuse yourself. She says that members of Parliament must recuse themselves from committees if people appearing before the committees gave their riding associations money. She says you can't accept funds from anybody who might even possibly lobby you in the future and she says you can't solicit funds for your riding association from anybody who has dealings with your government portfolio or your parliamentary committee.

At the federal level, through many, many different means—the Prime Minister's guidelines, the Conflict of Interest Act, the Conflict of Interest Code for Members of the House of Commons, the Lobbyists' Code of Conduct, decisions of the lobbying commissioner or the Conflict of Interest and Ethics Commissioner—the overlap between political fundraising and lobbying, the toxic, pernicious overlap between the two, has been addressed in so many ways. In Ontario, how is the toxic, pernicious overlap between political fundraising and

lobbying addressed? Not at all: not in the Members' Integrity Act, not in the Election Finances Act and not in Bill 201 in any way, shape or form.

So if we're going to talk about the importance, and I agree that it is important, of seizing what is good and valuable and cutting-edge and best practice from federal law and policy, and apply it—adapt it if necessary—to Ontario, surely Ontario should be following the federal lead in dealing with fundraising by lobbyists, fundraising from lobbyists, lobbying those from whom you fundraise, and lobbying from those to whom you give funds.

I don't want to suggest, by the way—I believe that the federal law and policy are the gold standard within Canada—that there's not more internationally that we can learn because, in the United States, many jurisdictions go even farther than that. For example, a majority of states do not let any political fundraising take place while the Legislature is in session. Not only will you members not be going to any receptions; there would be no receptions at all while the Legislature is sitting. You couldn't receive, ask for or be given riding association contributions. Some 15 of those states don't let anybody make contributions while the Legislature is in session, and 14 of them don't let lobbyists make contributions which the Legislature is in session. In fact, five states don't allow a lobbyist to make any political contribution at any time, ever.

In addition to that, the United States has given us the lexicon and a body of law known as restrictions on pay-to-play. What is pay-to-play? Pay-to-play is when political contributions are made in an attempt to get government business or a government decision or a favourable outcome from an executive branch member or a legislator. In the United States, pay-to-play is subject to legislation and a high degree of scrutiny.

In Canada, we don't even talk about pay-to-play. Pay-to-play is tolerated, is never mentioned, and Canadian lawmakers are doing little to nothing to address it. In fact, as a lawyer, the number one question US-based corporations ask me about Canadian law is, "We have pay-to-play restrictions in the United States. Can you tell us about the pay-to-play laws in Canada?" I have to say, "Well, actually, federal and provincial jurisdictions don't prohibit pay-to-play. We don't restrict pay-to-play." They're stunned that a democracy as advanced as Canada has not taken any steps to regulate, restrict or prohibit pay-to-play fundraising.

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What are some US examples of pay-to-play restrictions? Some states say that if you own or are the principal of a company that holds government contracts, you can't give any political contributions, nor can your spouse, nor can your dependent children. Some states say that if you are an executive of a company that does business with the government, you can't make contributions, or if you're any employee of that company whose salary or commission or bonus is dependent on the government contracts, you can't make a contribution. Some states also say that if you're in that position, you can't give to a

political action committee—what we would call a third party, so not only can you not give to a political party, but you can't give to a third party. Some states say that if somebody helped raise funds for you, that person can't be awarded a government contract. Some states don't restrict or prohibit; they just make disclosure a requirement. They say that if you're bidding on a government contract, you must disclose all of the political contributions by all of your officers and all of the members of your board of directors.

As of January 1 of this year, Virginia applies these principles to economic development loans and grants. If you want an economic development loan or grant from the Commonwealth of Virginia, you can't have had any officer of your company or any member of the board of directors of your company make a state-wide political contribution.

The Securities and Exchange Commission, federally in the United States, actually got the ball rolling a few years ago with restrictions on investment advisers who were advising government clients and also making political contributions.

I'm not advocating any particular one of these. Different states have done different things. I've simply pointed out that south of the border, there is a recognition that this issue of paying for access, paying for government contracts and paying to influence is pernicious, a problem and must be addressed. Here, nothing is being done.

The Chair (Mr. Grant Crack): Thank you very much. We're right at the hour. I think you were almost finished anyway.

Mr. Guy Giorno: I am. Thank you, sir.

The Chair (Mr. Grant Crack): Would you like just a one-sentence wrap-up or do you want to get into the questions?

Mr. Guy Giorno: Thank you.

The Chair (Mr. Grant Crack): Okay. So we'll start with Ms. Fife.

Ms. Catherine Fife: Thank you very much. It was a very interesting presentation. I have to say, I think that it's helpful for this committee to hear about practices in different jurisdictions and see how Bill 201 is balanced in that.

The electoral officer came before us and he gave us some very good recommendations, primarily around political advertising. You did touch on that. One of our primary concerns, as he pointed out and as did you, is around issue-based advocacy. As the bill is crafted, that six-month period prior to an election is off limits, if you will, for any voices, any citizen group, any group whatsoever to weigh in. For us, this is a fundamental issue of freedom of speech, as you have indicated. Could you give us some sense as to, when you balance it off with the government advertising piece and the carte blanche that they have, how does that leave us as a committee navigating through this area, Mr. Giorno?

Mr. Guy Giorno: Thank you, Mr. Chair, to the member who asked. I don't want to repeat things that the Chief Electoral Officer has said. The definition was

imported from federal jurisdiction. In federal jurisdiction, there are no spending limits outside campaign periods, yet Bill 201 now seeks to take that federal definition and apply it outside campaign periods. I think the CEO rightly identified the problems with that approach. If I understand his recommendation correctly, he was suggesting that maybe it's better to leave issue advertising to campaign periods only and not outside. I don't disagree with that. I just approach it slightly differently, and I think maybe coming to the same conclusion.

Nobody in Ontario wants to suppress free speech, whether it's free speech of organizations, corporations or individuals. At the same time, the reason issue advertising is in the federal law for campaigns only is because if you want a level playing field, it's important to avoid a sham where people are really advertising for or against candidates and parties without using those words. So, for example, if in the last campaign a third party wanted to say, "Firing 100,000 civil servants is dumb," or "Firing 100,000 civil servants is great" without using a party's or a leader's name, there's a good public policy argument that that activity should be regulated as it's about the party advocating downsizing the public service by 100,000, yea or nay, because the law ought not to do indirectly what one can't do directly.

But I think the CEO has made a good point that maybe outside election periods, the rules ought not to be the same because during those six months or during the four years between elections, to suggest that simply talking about a public policy issue makes you a proponent of the candidate who espouses or opposes that might not apply. But I do think, in a campaign period, we should be reluctant to allow people to skirt the rules by just not naming people.

Ms. Catherine Fife: For sure.

It's interesting because the government advertising piece—we've only had, really, three days of these hearings. Last night, we heard from an academic on this issue who views an average citizen and a lobbyist as very different people and that very different rules should apply. I think, though, when you have—and really what sparked this committee is that you had ministers who had quotas, who had to reach quotas, and then you had a direct correlation between the people who were donating to that minister and affecting policy. That fundamentally is the issue that we are all trying to get at.

That said, there is an issue of conflict of interest that I think we as a committee are going to have to get to. I don't think that Bill 201 addresses it fully, so I think that we share your concerns. I don't want to take you back down memory lane here, but in 2013, you did appear before a parliamentary committee reviewing the federal conflict-of-interest rules, and you said, "Political fundraising can give rise to conflict-of-interest issues, especially when the targets of fundraising are stakeholders of a politician's department or when the funds are solicited from lobbyists who are lobbying the politician or his ... office or department." Do you see this as a culture, really, of politics right now in the province of Ontario? Do you see it as an ongoing issue, Mr. Giorno?

Mr. Guy Giorno: How should I answer that? I can speak to what I know, and I know that when I was working in this building, it existed, and I have no evidence to suggest that it has changed. So I guess the answer would be yes, although I don't know for sure.

Speaking a bit more directly to the point, it's a problem anywhere if you don't regulate the issue. If you have a system where people are free to give money to public-office holders or to politicians with abandon, and there are no checks, obviously, those who want things from politicians will use that system to get the access and to get the results that they want. It's maybe just human nature, which is why we have laws to prevent people from doing what human nature would encourage them to do. That's why the laws are there federally; they're working quite well.

As I said, when I worked in this building, it would have been quite common to have fundraising receptions. Members of particular industry groups would, in fact, arrange fundraising receptions for ministers, and small groups would meet with ministers at high ticket prices. I don't know for a fact that that continues, but I have seen no evidence that it doesn't continue.

Ms. Catherine Fife: But that has been your experience.

Mr. Guy Giorno: Yes.

Ms. Catherine Fife: Do you believe the Ontario cabinet ministers were placed in a conflict of interest, having been given fundraising quotas which they met by holding fundraisers with stakeholders who had a financial interest in their ministry? Clearly, one of the key concerns for us would be—it may not be for you, but one of the major political issues that we've been dealing with in this place is the sell-off of Hydro One. The very people who helped craft the IPO were then invited to political fundraisers, and then, in turn, obviously paid very high ticket prices to have an audience with a minister. Can you please comment on that?

Mr. Guy Giorno: It would be improper for me to speculate on a particular case. In fact, those are things the Integrity Commissioner might have to or is considering under the Members' Integrity Act. I'll simply answer the question differently: The rules, the law, should prohibit that. So I can't comment on whether there was a breach in the past, but this committee, the Legislature, the government and all parties have a chance to fix the rules. The rules should make that academic because that's prohibited in the future.

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Ms. Catherine Fife: I think that we will be inviting the Integrity Commissioner to this committee because I think that's at the heart of the issue here around political fundraising. We will also be inviting the Auditor General, because that ties into the government advertising.

I'm sure you've seen the commercials on the ORPP. They've been running now for two full years. This fellow and this woman are desperately trying to get across that bridge. At great cost to the taxpayer, these commercials continue to run, as do the people in the commercials, I

might say. Of course, the government has even backed off for a full year. They've reversed their decision and bought a whole other year of time for large corporations on the pension plan.

The Auditor General weighed in this last weekend on cap-and-trade. We do know what that plan is, but on the weekend, when the commercials with David Suzuki were running non-stop, we had no sense of what that plan was. So you have a government advertising a plan that the people of this province have not yet seen—and actually, even still on ORPP.

In 2015, the Government Advertising Act was revised greatly. The Auditor General did weigh in, and it was very powerful, I thought, that she said that this will remove her oversight on what a partisan ad is. To the tune of \$600,000, those ads ran during the federal election.

The Canadian Taxpayers Federation—I'm sure this is the first time that a New Democrat has thanked the Canadian Taxpayers in a committee, but they did FOI it and they found that \$600,000 accelerated that advertising. Do you think that there is a complete breach of ethics here when a government has the ability, *carte blanche*, to advertise at will, regardless of the reality that the people—government advertising is a part of this act. You did this last time—

Mr. Lou Rinaldi: Point of order.

Ms. Catherine Fife: —and I will not be bullied by the Liberal government on this.

The Chair (Mr. Grant Crack): Thank you. There's a point of order: Mr. Rinaldi.

Mr. Lou Rinaldi: If we could keep talking about Bill 201. It's very, very important that we do it. I think what the member is talking about totally falls outside the realm of Bill 201.

The Chair (Mr. Grant Crack): Thank you, Mr. Rinaldi. I'd ask Ms. Fife to try to bring it back into this specific bill.

Ms. Catherine Fife: Government advertising is part of this bill, though, Mr. Chair. I am well within my rights as a member to address government advertising. I would urge the government to not continue to call me on that.

Mr. Giorno, I've given you enough material and context to comment on government advertising and the culture of it in the province of Ontario. Would you please feel free to share your opinion?

Mr. Guy Giorno: I'll just address it briefly. On the one hand, because I've certainly worked in places where governments did advertise, I would be reluctant as a citizen to say that governments can never advertise on TV, for example. I think that the government has an obligation to communicate with people where they are. People watch TV, they listen to radio and they're on the Internet. The idea that because it's safe to put out boring, black-and-white print ads, governments should only communicate with taxpayers through print ads in newspapers that nobody reads—I would never say no to TV.

But on the other hand, a level playing field is absolutely important, where there is a free exchange of ideas. That somebody who has taxpayer resources gets a leg up in that debate and people who don't, don't is a problem.

I would never say that government shouldn't advertise. On the other hand, I do believe that the rules and the system should prevent government from skewing the debate to the advantage of a partisan entity because that is the partisan entity that runs the government. I agree with that principle.

Ms. Catherine Fife: Within the context of Bill 201 and what it says around lobbying of government for groups and for individuals—for the government to limit the voices of individual groups to six months prior to an election and have no ground rules whatsoever for the government: do you think that levels the playing field? The answer is no.

Mr. Guy Giorno: There are other examples. For example, you can look at Manitoba, where there was a decision that if you're going to be restricting third parties, you would restrict government in the same period of time.

Ms. Catherine Fife: Manitoba has actually come up a fair amount.

My last question for this cycle: Does this act do anything to restrict cash-for-access to cabinet ministers when the limit is \$7,750?

Mr. Guy Giorno: Well, no. That's the point I was making. There are changes to limits, there are changes to who can contribute, but the concept of pay-to-play, people making contributions to get things, be they lobbyists or others, is not at all addressed by Bill 201.

Ms. Catherine Fife: Thank you very much.

The Chair (Mr. Grant Crack): We'll move to Ms. Malhi.

Ms. Harinder Malhi: Thank you for your presentation. It was interesting to see all the different perspectives that you brought to the table. In the past, you have advocated against imposing spending limits on partisan advertising without imposing limits on third-party advertising to allow political parties to defend themselves.

Mr. Guy Giorno: Are you saying I have? Are you asking me?

Ms. Harinder Malhi: I'm asking if that's still your position.

Mr. Guy Giorno: Yes, my position is a level playing field.

Ms. Harinder Malhi: It's been suggested that the current proposal to limit spending on third-party associated-issue ads be removed while maintaining the spending limit on partisan ads. According to your previous statements, would it then follow that the political party advertising limit should also be removed to allow political parties an even chance to defend themselves?

Mr. Guy Giorno: As an individual, I wouldn't object to that. I believe the field should be levelled regardless of how it's levelled.

Ms. Harinder Malhi: Regardless of how it's levelled. So you feel that there should be no limit on it?

Mr. Guy Giorno: Pardon me?

Ms. Harinder Malhi: There shouldn't be a limit on it?

Mr. Guy Giorno: You asked me a hypothetical. If the limit was removed on one, could the limit be removed on another? That wouldn't trouble me, as long as the limit is fair.

The longer answer is: I don't have a fixed view as to what an appropriate limit is. My contribution has avoided that, so I've picked on issues of fairness and balance.

To be honest, I get the sense that the mood of the Legislature or the government is that there will be some limits to be done this way, so I focused on how to make sure it's done in a fair way and everybody's treated equally.

I hadn't really thought too deeply about other issues like whether there should no limits or not. I kind of assumed that that wasn't even a realistic line of discussion for this committee.

Ms. Harinder Malhi: Another question I had is that you talked a little bit about collusion in the American system. How do you think we can make that work in the Canadian system or here in Ontario?

Mr. Guy Giorno: I would begin by removing the word "collusion" from the statute and using a word like "coordination." We could either leave it to regulation or guidelines from the Chief Electoral Officer. I won't speak to that, but again, it would have to be binding guidelines so that everybody knew what the rules were, or the rules could be spelled out in the statute. Those rules should make clear that where there is that level of coordination between a third party and a party or a candidate, those are the contributions to, and expenses of, those parties and candidates. I would begin by doing that at minimum.

Ms. Harinder Malhi: Can I ask a question of the Elections Ontario official? How do you think this would be possible to enforce from your office?

Mr. Jonathan Batty: I'm not sure you would have it before you, but if I can turn you to the Chief Electoral Officer's submission from June 6, on page 19, actually, he specifically addresses his recommendations in respect of anti-collusion.

As Mr. Giorno has indicated, what the Chief Electoral Officer recommended was a model similar to the provisions as found with the Federal Election Commission and a number of state jurisdictions talking about coordination. His proposal was that there actually be specific rules enshrined in the legislation as you would see in the rules from the Federal Election Commission and from those state jurisdictions.

Ms. Harinder Malhi: Thank you.

Mr. Mike Colle: Can I just expand on that, just a clarification?

The Chair (Mr. Grant Crack): Okay; a clarification, Mr. Colle.

Mr. Mike Colle: This suggestion by Mr. Giorno about using the term "coordination," setting a lower bar so it wouldn't be as difficult to enforce: Is that something that falls within the proposal of the Chief Electoral Officer, do you think? Would that fit, the use of the word "coordination" with a lower bar?

Mr. Steve Clark: The Chief Electoral Officer used the word "coordination" on page 19.

Mr. Mike Colle: Yes. I was just trying to get a clarification from the Chief Electoral Officer.

The Chair (Mr. Grant Crack): Mr. Batty, do you have any comments?

Mr. Jonathan Batty: What the Chief Electoral Officer said was this, and I realize all members might not have the submission before them so I can just quote. In the words of the Chief Electoral Officer:

"I think that Bill 201 should have more stringent anti-collusion provisions.

1520

"To prove collusion under our current legislation, collusion can only be established where it can be proved that a third party's advertising has been done with the knowledge and consent of a candidate or party. It essentially means that the candidate has to have controlled the advertising."

Then he says, "I will leave it to the lawyers to tell you how hard it is to prove there is direct evidence of this sort of control."

I think that's what Mr. Giorno was speaking to in his presentation.

What I will tell you, as an election administrator, is that it undermines confidence in the electoral process. The public can plainly see that candidates and organizations that claim to be non-partisan are able to actively coordinate their advertising. They are not prohibited from doing so because neither is exercising direct control over the other.

This sort of coordination is especially troubling when an organization relies on former political staff or partisan strategists to shape a third party's advertising. The public sees this as an apparent conflict of interest, and the Chief Electoral Officer said, "I do, too."

What he believed was that our election law needs to directly address this matter. He called upon the clear regulatory precedents for doing so from the United States—and referred to the Federal Electoral Commission for one—that adopt rules, that prohibit coordination between campaigns and independent organizations.

Mr. Mike Colle: That's very helpful. Thank you.

The Chair (Mr. Grant Crack): Thank you. Mr. Rinaldi?

Mr. Lou Rinaldi: Thank you, Mr. Giorno. I must confess that in 2003, I'd taken you off my Christmas card list for comments you had made. But after hearing you today—

Interjections.

Mr. Lou Rinaldi: After I heard your very thoughtful presentation—and I must admit, it was very thoughtful and, I think, very unbiased. I certainly appreciate that. That's kind of refreshing sometimes.

I want to talk a little bit about—last night, for example, we had Professor Pauline Beange. I think she was in her cottage somewhere up north, enjoying, probably, a glass of wine. She basically said in her submission that the passage of the Federal Accountability Act in 2007

that led to not allowing third-party advertising federally—she felt that it expanded that into provincial levels by default, I guess. That was the statement she made.

Do you think that stricter election financing laws in Ontario will allow this to happen to other governments, like municipal governments or regional governments? That was her comment. She felt that third-party advertising would become even more wide in Ontario, for example, because it was restricted federally. Do you have any sense of that?

Mr. Guy Giorno: I'd never thought of it that way. While I followed the Chief Electoral Officer's submissions, I hadn't followed hers.

I don't know. One would think that issue advertising is directed to federal issues or provincial issues or local issues. But if she has done a study of that, I wouldn't be able to refute it either. It seems counterintuitive to me, but again, I don't want to challenge any studies she has done.

Mr. Lou Rinaldi: Sure. Good. My other question, if I may, and quickly: I know you talked a lot about the per vote allowance. Your presentation was very thorough, and I thought it was very, very good.

What Bill 201 proposes—obviously, I think you're not in favour of per vote. I think that was pretty evident, and that's fair. Do you think the approach that Bill 201 is taking—the way it's written—something that should be looked at? Or do you think it's sort of a cautious way to try to go down the road as we change others?

Mr. Guy Giorno: Again, I want to be fair and realistic. I don't think that subsidies are needed in the long term, and I think the federal model has demonstrated that. But I do get that we have provincial parties that aren't used to actually going to people and getting \$100 donations. They're used to going to big corporations and lobbyists and getting big donations, so I do accept it will take time to get provincial parties to change their ways. While I don't like subsidies or per vote allowances, I'm not here to make an impassioned case saying, "Never give them—no transition." I think there should be a transition. I think the transition should be short-term and go to zero.

Even then, does it have to be a per vote transition? If I were asked, I would say there's no basis on which all three major parties shouldn't get the same amount, declining over time to zero, and quite quickly to zero. My concern specifically on the formula in Bill 201 is that it doesn't go to zero and it goes down too slowly. To use the federal example, I think that four years was enough time for the parties to be weaned off these allowances. I don't see why it should be much different provincially.

Mr. Lou Rinaldi: Okay. Thank you.

The Chair (Mr. Grant Crack): Okay, thank you. You have about three minutes on average, I would think. Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: Thank you, Mr. Giorno, for coming in, and thank you so much for giving us such a thorough and detailed analysis of your perspective on

Bill 201. I just want to double-check with the Chair: Chair, does that mean I only have about two minutes now?

The Chair (Mr. Grant Crack): Let me double-check. No, actually, I apologize. You've got a good six.

Ms. Indira Naidoo-Harris: Great. I'm going to jump around a little bit, but I want to pick up on what my colleague was asking about the per vote subsidies and so on. Just very quickly, I understand your concerns about the per vote subsidy, but I want to touch on something that I know we're touching on broadly. Doesn't a focus on individual donations to some extent only give a gateway to wealthy Ontarians to having a voice when it comes to fundraising? Now, I know you talked about the \$150 and the \$120 sort of averages and the \$98 averages that are out there for donations, but my point is that even \$98, \$120 or \$150 may be too much for some people. That's my concern.

I want to find out from you, because clearly this is your area and you have a lot of experience in this: How would you propose—and I think my colleague touched on it a bit—to level the playing field so that Ontarians in general will have a chance to have a voice in this manner?

Mr. Guy Giorno: You're right, and I never meant to suggest that \$100 is not a lot of money, because \$100 is a lot of money. Some people can't afford that. But I don't think the fact that some people can't afford that amount means that they should be free to assume we need public financing. I would maybe answer your question this way: It is true that even at those levels, some people will not contribute. Nonetheless, it is also true that at those levels of average contributions, our federal parties are healthy and viable, there's full expression of views and they represent the views of those who are paying those \$100 and those who don't, who can't afford to. They're still healthy and viable.

The issue, in my view, is not: Does everyone need the right, the ability and the freedom to contribute to a political party, otherwise we'd have no contributions; we'd have all public financing? A better question is: Are these, as the Chief Electoral Officer said, quasi-public, quasi-private entities—political parties—going to be open and viable? Will they do their jobs? And they are, I think, at those levels of contribution.

Still on that, I want to go back to the United States. Senator Bernie Sanders's average contribution is \$27. Now, \$27, even with the exchange rate, is still low. How does he do that? He does that by inspiring people. I guess that's the other thing I wanted to say. When you're dealing with individuals at those lower dollar levels and not big corporations writing a cheque because they want access or they want some result, the people who are raising money are actually going to have to give people a reason to give. They're going to have to inspire them, and that's not a bad thing. That's a good thing, in my view.

Ms. Indira Naidoo-Harris: Thank you. Since I don't have that much time, I'm going to go directly to another question. Hopefully, in the next round, I'll get a chance again.

You were clearly a key player in designing a lot of the federal legislation that was out there, so I'm very interested in your comments about pay-to-play. You were there when some of this stuff was being designed, and yet, federally, as you mentioned, this wasn't reflected in those rules. Can you tell me why you didn't suggest a move forward with pay-to-play and why you think that's something to do now?

1530

Mr. Guy Giorno: I think that if you look at Open and Accountable Government, the document for ministers—I didn't write it all, but I wrote this section for Prime Minister Harper, and Prime Minister Trudeau has adopted it unchanged—that is a pay-to-play regime. Those concepts are in there, and I'm quite proud they're in there. I have said publicly—not just here; I've said on the record before the House of Commons—I think this should be in law, not just as the Prime Minister's policy. It should be in law.

Why is it not in law yet? Good question. Things don't often move as quickly as one would like.

Except for the fact the words “pay-to-play” are not in here, those are the concepts. I would advocate that this is a government gold standard that should be incorporated in every jurisdiction in Canada. Should it move from policy to law? Absolutely, it should.

Ms. Indira Naidoo-Harris: Thank you. Do I have time for one more?

The Chair (Mr. Grant Crack): Thank you very much.

Ms. Hoggarth, you have about three minutes.

Ms. Ann Hoggarth: I really enjoyed the presentation. It's great to get views from everyone.

In the bill, Bill 201, we want to even the playing field by banning corporate and union donations. There is no corresponding ban in Bill 201 that bans corporate and union donations to third parties. Should we ban corporate and union donations to third parties? If not, should there be a limit, and if so, what amount? What are your suggestions on how to administer this?

Mr. Guy Giorno: I don't know, broadly speaking, the answer to that question. I do know a narrow part of the answer, and that is that if a corporation is contributing to a third party to get a result, to lobby, to get influence, to get a contract, that should not be permitted.

The larger question, whether corporations should have speech at all: I think it is accepted that even corporate citizens have a right of free speech. I don't know the larger issue, but on the narrow issue: If they're abusing that right, if they're paying for the wrong things, they're paying for access, they're paying for results, they're paying for contracts and they're paying for influence, they should not be permitted to do that. I'm not sure that contribution restrictions are the way to do that. I think there should be other—that's what I meant; that may be a better way of putting it.

I think what's missing in Bill 201 is that sort of regulation, realizing that it's not just the dollar value of the limit; it's the things people are paying for and the

relationships they have with government which caused them to do that that have got to be also looked at and regulated.

Ms. Ann Hoggarth: All third parties are after something, right? Really.

Mr. Guy Giorno: Many do. I wouldn't say all do, but many do, sure.

Ms. Ann Hoggarth: Yes. Whether they're satisfied or dissatisfied, they want the election to go one way or another.

Mr. Guy Giorno: Yes, but there's a difference, right? Everybody who participates in public policy has a viewpoint. People might want a law changed. But I'd be wary of saying that an individual citizen who believes that this law or that law—I'll pick a federal issue, not a provincial issue: marijuana reform, or legalization or decriminalization, whatever—citizens may have views on that, right? That's different than a lobbyist who wants a government contract. I think that's different than somebody who's making a commission on a sale to a municipality, a province or the federal government. Yes, everybody wants something, but I would be wary of a definition which says that the citizen who has a view on an issue is in the same boat as a company that actually wants something for a financial benefit. I do think that those are different kinds of wanting things from the government.

Ms. Ann Hoggarth: The final part of my question has to do with real-time disclosure. We want to have real-time disclosure. Throughout the many changes over the years to federal and provincial election laws, none have yet to adopt Ontario's model. Why do you think that is?

Mr. Guy Giorno: I don't know why. Thank you for allowing me to point this out. I should credit Ontario as the leader in real-time disclosure. We shouldn't lose sight of that. Everybody should do that. I don't actually know the reasons why it's not done federally. It could have to do with infrastructure and funding, but there's no reason there shouldn't be real-time disclosure. Ontario can do it.

Ms. Ann Hoggarth: Thank you very much.

The Chair (Mr. Grant Crack): Mr. Hillier?

Mr. Randy Hillier: Thank you for being here today. First, I want to thank you for such a wonderful and informative presentation, Guy, but also say that it has clearly had a significant impact. It's clear that your presentation has sparked committee members to further examine and evaluate Bill 201 in some very new light. We've got a lot to examine, contemplate and reflect with what you've presented today. I would like the opportunity, if you are available, to come back for an additional meeting with the committee at some time while we're sitting this summer. I hope you'll be able to do that.

I'm going to keep my remarks very brief for now. I just want to ask you for your views on a couple of clauses in Bill 201, and those are the new section 15(2), which is that subsection 21(2) of the act is repealed and the following substituted, and that's about amounts of \$100 or less that are not to be considered as contributions. That clause, in addition to subsection 21(1) of Bill

201, which substitutes subsection 26(1) of the act—and that's where there are some changes under group contributions. I'm just wondering if you've had an opportunity to look at how those two clauses fit or jive with the discussions about limiting union and corporate contributions and creating a more fair and level playing field.

Mr. Guy Giorno: I think most jurisdictions have—it's not called this, but this is what it is—a de minimis threshold below which there's at least an option not to record. With goods and services, that may make sense. If somebody brings a couple of pizzas to campaign headquarters and donates them to volunteers, do they have to be booked as contributions? That's the reason we have thresholds. I'm not going to comment on if it should be \$100, \$200 or \$25.

But then you refer to the group contributions provision, which is of course not a group contribution; it's a group being a flow-through for contributions from individuals who are behind that group, which could be a group, an unincorporated association, an accounting partnership or whatever. That pre-existed. That was before Bill 201 and after Bill 201. All that Bill 201 does, I think, consistent with the updating to add nomination contestants, is refer to nomination contestants there.

I take it that your question is that this pre-existing concept, that groups can be not contributors, but funnellers or flow-throughs of individuals' contributions—how does that line up with the \$200 de minimis example? That's not a Bill 201 issue because the sections are the same in the existing Election Finances Act. I don't want to presume to speak for Elections Ontario, but I don't see that there's an avoidance possibility there, either under the existing act or under the current bill. Is your question: Can a group use the \$100 exemption, which is in various sections, to avoid the need to disclose the names or sources and the amounts of those individual contributions if each is below \$100? The language of the section, either the new section or the existing provision, doesn't allow that. It says—I'm referring to section 21, subsection (1) of the bill, which is essentially re-enacting with some changes: "Any contribution to a political party" etc. "made through any trade union, unincorporated association or organization ... shall be recorded by the trade union, unincorporated association or organization as to the individual sources and amounts making up the contribution." So that's mandatory.

That information then goes to—these sections are not repealed and re-enacted, so sections of the act are not being changed—the party and it has that information. There's nothing there that says that if the amounts are under \$100, you don't have to do that. You must, as the unincorporated group, give all the sources and all the amounts, even if they're under \$100. The \$100 exemptions don't apply to that section. So that's on the record. It goes to the political party or it goes to the person who benefits from that. Again, I don't want to speak—before, I was embarrassed that Elections Ontario disagreed with me. But I don't think that the \$100 de minimis exemption, in various places in the act, allows

people to amass large group contributions of under \$100,000 each and therefore have no disclosure and no transparency, because you've got to record the sources and the amounts, regardless of the amount.

Mr. Randy Hillier: So you could still use it as a flow-through, but it would have to be recorded and transparent.

Mr. Guy Giorno: Yes. The law has always thought that accounting partnerships and other partnerships for years can, as a convenience to partners, give one cheque, as long as there's disclosure of the names and the constituting amounts. That's true of the partnerships; it's true of any unincorporated organization.

1540

Mr. Randy Hillier: Right. The only other change is there has been some expansion of that to include, from my reading, that unions are now included under group contributors.

Mr. Guy Giorno: No, they're not. Unions can give those contributions in that manner now. I don't know whether they do or they don't, because they can give contributions in their own right now. That will be removed. But certainly, as a matter of theory, as I said, a union can use this provision now. This is actually in Elections Ontario's guidance, as well. They're an unincorporated entity. They can use this provision now.

Funnily enough, I've never worked on too many campaigns where we got union contributions, so I don't know whether they do it that way. But this is not a change that is actually giving members of unions more rights. They have that opportunity now, if they wish to avail themselves of it.

Mr. Randy Hillier: Right. Well, listen, I'm going to leave it at that. Maybe if my colleague—

Mr. Steve Clark: If I can just follow up, one of the suggestions that we've heard a couple of times is the issue of identifying the donor in a more detailed way with an address. I think that the example we had was somebody searching out George Clooney's and Brad Pitt's donations. What are your comments about providing additional information for donors so that they can be recognized?

Mr. Guy Giorno: You know, that's a tough one. I don't have an answer because there are two important principles that converge here: One is transparency and one is privacy. I'm still old enough to remember the days when, at least for municipal elections, we'd have entire voters lists stapled to telephone poles in the city of Etobicoke. You would never do that now because of privacy.

There has got to be a way. I do believe certainly that the information must be meaningful. Fred Smith—there could be many people. It should be important so people can identify who the person is. But I personally can't speak to how that's done in a way that achieves the transparency and maintains the privacy. But I do believe that the transparency is important—and the privacy, too. Sorry.

Mr. Steve Clark: No, it's okay. That's fine. Thank you, Chair. Thanks, Guy.

The Chair (Mr. Grant Crack): Thank you very much. Is there any further debate? I'll allow Ms. Fife and then, if there's time left—you have about six minutes, so feel free.

Ms. Catherine Fife: It's really interesting. You've been very complimentary of the changes that have happened under Open and Accountable Government, 2015. You'll also note that the Prime Minister has, around electoral reform, balanced the committee, if you will. You can see that this committee is unbalanced, in a rhetorical way.

What do you think about that? I'm going back to the electoral officer. He asked us to put the elector at the centre of this debate about the work of this committee. He asked us to level the playing field. He identified the perception or the reality that money is playing a major role in the way that government operates and the way that fundraising happens in the province of Ontario.

Yet, if you look at the major ways that other parties in the past have looked at electoral reform—particularly around fundraising—this is a serious departure from that. We have a piece of legislation before us which we are asked to work with. Quite honestly, Mr. Trudeau, at the very least, has created a level playing field from which to work. Would you like to comment on that, Mr. Giorno?

Mr. Guy Giorno: As a member and a spokesman of the Every Voter Counts Alliance, which is dedicated to achieving proportional representation at the federal level, I certainly agree with the premise of your question. The Prime Minister was right to make the committee balanced.

But as a matter of fairness, majorities have been used to put through election reforms in different jurisdictions at different times in history. I don't think we can say that this has never happened before. That's just how the system runs.

But on the same point, I think that Mr. Essensa was right when he talked about the voter being the centre of things. I do know that there are many occasions, probably fewer in this decade than there were decades ago, when significant changes, including to election law or laws, were achieved through a consensus of political parties.

The point I was going to make is that for all the merits of taking a consensus-based approach, where all parties agree on major reforms and things like that—those aren't actually voter-centric. I don't want to get into a large debate. There are some examples in the history of Ontario and federally when the things that were the consensus of the political parties were actually achieved and enacted to the exclusion of what ordinary people wanted and their interests, and particularly, a process where, as was wont to happen in this building and in Ottawa decades ago when parties would meet behind closed doors, there would be negotiations, then a bill would come through and it would go through three readings in a day. That has happened.

I'm not suggesting that the member is advocating that.

Ms. Catherine Fife: No, no, I know.

So let me just take it back to lobbying. You've heard the piece around government advertising. There's the

piece about lobbying. All of these issues play into the way that this bill is being debated and the discourse on it, if you will. Do you believe that people often engage in lobbying at political fundraisers?

Mr. Guy Giorno: Well, they shouldn't. They shouldn't, is the short answer.

Ms. Catherine Fife: They shouldn't, but do you believe that they do, given your experience?

Mr. Guy Giorno: I've been lobbied at political fundraisers, so I guess by definition—

Ms. Catherine Fife: So there you go. Is there anything that should exempt reporting of lobbying—

Mr. Guy Giorno: In fact, one of the reasons I used to hate going to them when I worked for the Premier was because you'd go to these events and just end up being lobbied.

Ms. Catherine Fife: Exactly.

Mr. Guy Giorno: But seriously, that's why we need rules against it.

Ms. Catherine Fife: That's where we need to get to, right?

Mr. Guy Giorno: One other thing that I want to say is that there is no lobbying piece in Bill 201. The changes to the Lobbyists Registration Act, which are being proclaimed into effect, do not actually address some of these issues.

Ms. Catherine Fife: And that's disclosure. So let's talk about the disclosure of lobbying at fundraising, because that's really where we need to go with this committee. People pay a huge amount of money to go to a dinner with the Premier or with a minister, and that is not disclosed. That is lobbying that is happening in the province of Ontario, and that is not disclosed. Do you see that as an issue that we should, as a committee, deal with even though it's a little bit outside our mandate?

Mr. Guy Giorno: There are a lot of answers to that, and I don't want to give procedural advice.

Ms. Catherine Fife: I'm sorry. I can't hear you.

Mr. Guy Giorno: Sorry. There are a lot of answers to that. First is that I don't want to give procedural advice. This bill has been referred to committee before second reading, so it hasn't even been approved in principle. There is no determination of the Legislative Assembly as to what the principle is to frame the mandate of the committee, so I'm not sure what's germane or what's not. That's number one.

Second of all, which is a technical point, the lobbying that occurs at fundraising events is supposed to be registered and recorded according to the laws of the jurisdiction, federal or provincial—

Ms. Catherine Fife: Supposed to be.

Mr. Guy Giorno: Yes, so in that case, part of it is a cultural thing. People lobby without knowing it or lobby thinking they can get away with it. But even then, I don't actually agree that the issue is disclosure there. I don't believe there should be lobbying taking place at fundraising events. I believe that the regulatory regimes should be such that we separate the two. We don't disclose when they're happening together; we don't let

them happen together. I don't believe that lobbyists should be fundraised or fundraisers, and vice versa.

So I would actually say, Chair, to the members concerned that while I am a big fan of transparency, in some areas transparency is not enough. Certain conduct should be proscribed—that is, not permitted—and any intersection between lobbying and fundraising is one such area. It shouldn't exist.

Ms. Catherine Fife: So, as a committee, we should look at closing the loophole that exists in Bill 201 on this issue.

Mr. Guy Giorno: Yes.

Ms. Catherine Fife: Thank you.

Mr. Guy Giorno: Except there's no loophole; there's just nothing there.

Ms. Catherine Fife: That's a Liberal loophole, when there's nothing there.

The Chair (Mr. Grant Crack): Thank you very much. We'll go to Ms. Hoggarth.

Ms. Ann Hoggarth: The government, through Bill 201, is trying to make Ontario a leader by implementing pre-writ advertising limits for political parties. The proposed changes are designed to help prevent any party from circumventing the purpose of election period spending limits. What is your opinion of the bill's current approach and the million-dollar limit? Should there be a limit for constituency associations and candidates as well?

Mr. Guy Giorno: I hadn't really thought of it that way. It's a twofold answer. One is that, generally, most of the expenditures that are of concern are by central parties, but of course if that's limited, then you may actually have a spillover effect that people will start to be using riding associations and individual campaign expenses to do that. Actually, there can't be individual campaign expenses outside of the campaign period; there can only be the riding association expenses. So I'll simply concede that that's a valid point.

1550

As to the issue of levelling the playing field, this is why I identified a number of areas where I think that if the legislation is going to move in that direction, it should just make sure that we are completely preventing people from doing what the law intends that they not do. We should make sure, for example, that there's a very clear separation between third parties and parties, consistent with the principle that the members identified.

Ms. Ann Hoggarth: Thank you very much.

The Chair (Mr. Grant Crack): Mr. Rinaldi?

Mr. Lou Rinaldi: Again, thank you very much. I'm quite intrigued by your knowledge of this, so just a quick question to follow up on Ms. Fife's question on the process piece—and this is just your opinion, if you wish. We're doing this, as you mentioned, after first reading. It's not really a committee structure as we are normally accustomed to, as you can see by the way the flow of questions goes, and the time frame. Hopefully, after second reading, we'll get back to what committee "normal" is, I guess.

Do you feel that that's a good process to try to tackle an issue of this magnitude?

Mr. Guy Giorno: If only Norm Sterling was around to hear me compliment him, because he was a big proponent of bills going to committee after first reading. I think it's an excellent approach.

In fact, if I might comment a bit more, part of the problem is just that: After second reading, the bill is approved in principle, and the committee is actually deliberating within the framework of the bill already approved in principle, and it's very technical. Yet, often, it's the first opportunity for members of the public to engage, and they're kind of wondering why we're engaging on the bill, or whether it should exist at all. But it has already been approved in principle and we're just here, as a committee, to look at technical details within that framework.

I think that the referral of bills to committee before second reading—after first reading—is excellent, and it should happen more often. It actually provides more opportunities for members of the public to engage.

I also like, as a citizen, the non-partisan flavour. I think it's an excellent process. This should be a model. It should happen more often.

Mr. Lou Rinaldi: Thank you.

Do I have more time—

The Chair (Mr. Grant Crack): Thank you. Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: Thank you, Chair. Mr. Giorno, again, thank you for coming in and sharing some of your thoughts on Bill 201 with us.

As I mentioned earlier, in 2006, the federal government passed the Federal Accountability Act. I know you worked very closely on this legislation, so I think your experiences and your observations on all of this are very important to us and what we're trying to do here at this committee.

In hindsight, how do you feel? Is this legislation holding up, a decade later? What do you think are its strengths and weaknesses?

Mr. Guy Giorno: Okay. Wow, that's a big question.

Ms. Indira Naidoo-Harris: Yes, it is.

Mr. Guy Giorno: The reason is because the Federal Accountability Act amended so many statutes. I can pick and choose a few of them. For example, I'm on the record, along with the Canadian Bar Association, saying that the Conflict of Interest Act has the right principles, but it doesn't have enough teeth. I'd be happy to answer more questions about the Conflict of Interest Act.

I think the Lobbying Act has held up well. I think that until recently, there was a problem with enforcement, but now there are charges laid, and convictions, so I think that's holding up well.

Changes to the Access to Information Act: More entities are subject to it, but the content of it was not as much as it could have been. To use an example, Ontario politicians, who are used to a strong Information and Privacy Commissioner, with the power to make binding orders, might be surprised to find that the federal In-

formation Commissioner lacks that power. That was an issue that the Federal Accountability Act did not address as fully as it could have.

Sorry; it's a large bill. I think there are pieces that are working and there are pieces that do still require some changes, to this day. Does that—

Ms. Indira Naidoo-Harris: No, that was great. I'm particularly interested, actually, in where you feel the weaknesses are, just because we are at this point where we're looking at designing something in Bill 201 and trying to do that.

Mr. Guy Giorno: Speaking broadly—and the Federal Accountability Act is an omnibus bill—most of my personal criticisms are not of content; they are of the lack of teeth. The enforcement is not there. The powers aren't there. The penalties aren't there. The consequences aren't there.

If this committee is trying to extrapolate from that, I think that it's important—and it's consistent with the answer I gave previously on these practices for fundraising and lobbying. It's great to have a piece of paper; it's great to have the rules. But unless there's enforcement, then people can ignore them. Certainly, my take-away from the Federal Accountability Act is that things need to be enforceable. There need to be consequences for doing what the law says you shouldn't do.

Ms. Indira Naidoo-Harris: Thank you. I believe my colleague is—

The Chair (Mr. Grant Crack): Thank you. Mr. Rinaldi.

Mr. Lou Rinaldi: Just another quick comment: There seems to be a trend with some of the folks who presented up till now, of donors having to name their employers, to try to prevent or show some sign that there's no funnelling money through the back door, for lack of better words. Do you have any sense of that issue and how—we've had a few who said that, so that if we're

stopping corporate and union donations, there are other ways that they can do that.

Mr. Guy Giorno: It's funny; I support that concept but for a different reason. I am less concerned, although it is theoretically possible, about money being shifted from an employer to an individual. I am more concerned that people work in companies or organizations that do business with the government, where there should be disclosure of the fact that this person works for somebody who has government contracts, that this person works for a company that is lobbying for this outcome, that this person works for a company that is getting economic development grants. So the short answer is yes, I agree with the concept, for slightly different reasons, of accountability and transparency—but absolutely. And not all, but many US jurisdictions require things like that.

The Chair (Mr. Grant Crack): Mr. Giorno, I'd like to thank you very much for your presentation and for the discussion that ensued. It was very informative. We thank you for coming before committee this afternoon.

Mr. Guy Giorno: Thank you.

The Chair (Mr. Grant Crack): To members of the committee, just a follow-up: I did call a subcommittee meeting for 4 p.m., but it is cancelled as I think we're making some progress on the schedule for public hearings on the bill.

I want to thank everyone for coming this afternoon and for all the support that we've had here. This will be the last committee meeting in this place for another month. We look forward to returning, in Toronto—I believe it's July 20—

Mr. Steve Clark: July 11.

The Chair (Mr. Grant Crack): July 11, it is. Thank you very much.

Have a great summer, everyone. This meeting is adjourned.

The committee adjourned at 1557.

CONTENTS

Thursday 9 June 2016

Election Finances Statute Law Amendment Act, 2016, Bill 201, Mr. Naqvi / Loi de 2016 modifiant des lois en ce qui concerne le financement électoral, projet de loi 201, M. Naqvi	G-1221
Mr. Guy Giorno.....	G-1221

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Lundi 27 juin 2016

Standing Committee on General Government

Election Finances Statute Law
Amendment Act, 2016

Comité permanent des affaires gouvernementales

Loi de 2016 modifiant des lois
en ce qui concerne
le financement électoral



Chair: Grant Crack
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Monday 27 June 2016

Lundi 27 juin 2016

The committee met at 0925 in the Four Points by Sheraton, Kingston.

I would like to welcome Mr. Rinaldi on crutches. Welcome, sir. I hope you're well.

Mr. Lou Rinaldi: I'm well.

ELECTION FINANCES STATUTE LAW
AMENDMENT ACT, 2016LOI DE 2016 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LE FINANCEMENT ÉLECTORAL

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.

The Chair (Mr. Grant Crack): Good morning, everyone. I'd like to call the Standing Committee on General Government to order. I can see that everyone travelled safely to the great city of Kingston, here in eastern Ontario. Again, I welcome all members of the committee, members of Hansard staff and support staff. Mr. Essensa, it's great to have you here as well—legislative research, Clerk's office.

We're here today to hear public consultations with regard to Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007.

This morning we have six presenters, the first of which will be provided 10 minutes for their presentations, followed by up to 15 minutes of discussion. Hopefully, all three parties will try to be fair and equalize that 15 minutes; otherwise, I will do what I have to do to ensure some fairness in the proceedings here.

With no further ado, I would like to call—

Mr. Randy Hillier: Chair?

The Chair (Mr. Grant Crack): Mr. Hillier?

Mr. Randy Hillier: I would just request that we be permitted to videotape today's proceedings.

The Chair (Mr. Grant Crack): There has been a request to have videotaped proceedings, by Mr. Hillier. Is there any discussion on this? I see that we probably have consent. Is that correct?

Mr. John Fraser: As long as you don't edit it.

Mr. Randy Hillier: Pardon?

Mr. John Fraser: As long as you don't edit it.

The Chair (Mr. Grant Crack): Okay. So it looks like we have unanimous consent. There will be a recording of the proceedings. Thank you, Mr. Hillier.

MR. JOEL USHER

The Chair (Mr. Grant Crack): We're ready to get going, so at this time I would like to call Mr. Joel Usher before committee. If you want to take a seat in front of that microphone, we'd be more than happy. Again, you have 10 minutes, followed by up to 15 minutes of questioning and/or comments from members of the committee. Welcome.

Mr. Joel Usher: Thank you. Hello, committee, others in attendance today, and everyone who takes the time to turn their attention to this submission. Thank you for having me here to present this morning.

My name is Joel Usher. I'll start by putting all my cards on the table: I am an active member of the Ontario Public Service Employees Union. I am a mobilizer with the Citizens Coalition Against Privatization. I am a delegate with both the Northumberland Labour Council and the Durham Region Labour Council. I am a member of the New Democratic Party. I am a paramedic who works for one of our province's upper-tier municipalities. I am a graduate from Durham College. Prior to that, I received a combination of a Roman Catholic and public school education. If anyone feels inclined to investigate, hotel, fuel chain and automotive memberships aside, I am certain you will find this to be an honest account of my organizational affiliations.

I realize that my affiliations could potentially skew your perception of what I have to say here. I hope that is not the case. Please keep in mind that I'm not representing any of those groups today. I am here as an engaged citizen who resides at 9 Bloom Avenue in the town of Newcastle, Ontario. I am here as a proud member of a working-class family, specifically a grandson, a son, a nephew, a cousin, a brother, an uncle, a husband and a father. I am here as an individual.

Today is a first for me. While it is my intention to gradually become more and more involved in the world around me, I have yet to stretch many of my civic engagement muscles. I truly appreciate the opportunity to stretch some of them and participate in this democratic process here today.

Bill 201, Election Finances Statute Law Amendment Act, 2016, the reason we showed up this morning: I perceive a great deal of potential for this bill. From what I understand, corporations contribute far more to political parties than trade unions do. Therefore, whether or not one believes that unions effectively promote democracy and do good work, eliminating contributions from both entities should lead to our electoral system being influenced less by corporate agendas and more by everyday constituents. That is certainly a winning sentiment and is regarded by this Ontario voter as movement in the right direction.

Having identified that key progressive inclusion, I would also like to turn your attention to a few aspects of this bill that I am apprehensive about.

One of those is the inclusion of new third-party advertising restrictions. I worry that, should those new restrictions be accepted as proposed, the bill offers potential for organizational censoring and increased voter apathy. As well, I have a concern that this bill does not treat our increasingly corporately driven and narrowly owned media with the same third-party advertising restrictions as the other aforementioned entities. Additionally, I am uncertain if the enforcement enhancement will be adequate in effectiveness or when it comes to enforcement cost recovery.

0930

Further, I am going to address an ambiguity that I perceive in this bill. The proposed legislative language changes leave me uncertain about what entities are able to apply as third parties for the purpose of political advertising. I'll elaborate more on that shortly, but what I'm getting at regards entities that are composed of numerous other groups.

I would also like to address a theme that is missing from Bill 201. That theme is election surveying. What better chance is there than now to consider expanding on the election surveying blackout period offered in the Election Finances Act?

Here we go. Third-party political advertising restrictions in general—section 40 of the bill, amending section 37.10.1 of the Election Finances Act: I offer that these proposed changes could lead to organizational censoring and, further, could potentially remove certain organizations from serving their entire purpose during the six months leading up to an election or during the election period. Proposed are spending caps of \$600,000, plus or minus, during the six-month pre-election period and \$100,000 during the election period. I am curious as to the reason for these caps. To me, in a perfect world, an election winner would be the party that succeeded in balancing the priorities of the largest number of constituents. It would not be the party that succeeded in veiling the issues enough to make some constituents too apathetic to vote and others to vote favourably based on lack of information or misinformation available. Knowledge is power. By shutting down, slowing or narrowing the information flow, democracy does not prevail. Prior to casting my ballot in an election, I want to gather every scrap of information that is readily available to me.

That brings me to my concerns with the media. It is imperative to get this part of the legislation right, to make it fair. Popular media is able to offer a spin on pretty well anything, and that certainly includes politics. Please consider that many of the media outlets that distribute daily news to Ontario citizens are multi-conglomerate organizations. They are well positioned to do the bidding for their wealthy boards and shareholders. Allowing them to broadcast unrestricted regarding election issues during periods when other organizations are silenced will create a significant imbalance in power.

Further, I would like to shine a light on section 53 of this bill. It offers what appears to be a lofty penalty for violating subsection 37.10(1) of the Election Finances Act, a section that adds additional penalties for third-party election advertising. I certainly am not aware of why the specific amount of the penalty was chosen—up to five times the amount by which the third party exceeded the applicable limit. It is my sincere hope that the high penalty should work to deter violations and should adequately recover the cost of enforcing the act. Perhaps that has been scientifically studied and pondered at length. If so, I commend you all. If not, however, please consider the time and expense of patrolling all distribution outlets, including promoted political advertising in newer mediums such as social media.

There is legal language offered in this bill, specifically subsection 40(3), that I do not fully grasp. That established, I'm not sure if this proposed legislation addresses multiple groups within one entity or not. In the event that multi-group organizations are to be considered as a single entity, I offer the following: My concern is that a union, or a corporation for that matter, can be composed of many different sectoral components. With more sectors, there are more issues that an entity would likely want to address. Allowing a single-sector entity the same third-party political advertising leeway as a multi-sector entity could, again, create an imbalance that does not currently exist. Take, for instance, a potential campaign issue like allowing paramedics to work for fire services in this province. The Ontario Professional Fire Fighters Association would, under this proposed legislation, be able to register as a third party and have the entire plus-or-minus-\$700,000 advertising fund to promote their position on the matter. In contrast, a paramedic union that registers as a third party would have much less access to the union's allotted money since Ontario paramedics only represent a small fraction of the total members in each union that they belong to. Another example would be a conglomerate organization such as Unilever. Would each of Unilever's companies be able to spend the full \$700,000 allotment, or would Unilever have to divvy the third-party political advertising money up amongst Lipton or Ben and Jerry's etc.?

Subsection 36.1(1) of the Election Finances Act prohibits election surveys from being made available to the public before the polls are closed on polling day. I am a very big advocate for that legislation. Often, I have pondered the expansion of it and the potential conse-

quences of that expansion. I remember, back when I was a new voter, I suffered from having the urge to pick the winning horse. Fortunately for me, I resisted, but I wonder if others felt the same affliction. Over the years, I have brought the subject up with friends, neighbours and family. I have also done some door-to-door political canvassing. I've heard Ontarians tell me all sorts of reasons for voting the way they do—some righteous, some not so much. Not everyone is honest, but some are. People vote for all kinds of reasons. From my admittedly very anecdotal collection of data, amongst those reasons is that almost instinctive urge to want to be on the winning side. Could placing further restrictions on election surveys limit at least one unvirtuous reason for voting? I would argue, yes. Should it? Given the other advertising restrictions that this legislation proposes, it may be something for you to consider.

I hope that I've been successful in giving you some citizen perspective and maybe even a little something new to contemplate. On behalf of me as an individual, thank you very much for your time and consideration. I look forward to trying to answer any questions that you have.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Usher. We appreciate your comments.

We'll begin with Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you very much, Mr. Usher, for your presentation. It was very well thought out and it has brought up some areas that I had not thought of, and I thank you for that.

The reason that we're doing this, of course, is that our government is committed to working with everyone to reduce the role of money in politics and to try to make the playing field a little more level.

We have had significant discussion about the fact that Bill 201 does not explicitly prevent unions or corporations from sending paid employees to work on campaigns and be compensated from their employer. Have you ever been involved in a campaign where you were compensated by your employer for working on a campaign, and if so, what campaign and for what party?

Mr. Joel Usher: Yes, I have been. I worked on the Jennifer French campaign in the Oshawa riding, for the NDP. I also spent some time volunteering my time with Mary Fowler's NDP campaign in Oshawa and Niki Lundquist's campaign in Whitby-Oshawa. Those two campaigns were volunteer time. The other one was a paid book-off, so to speak.

Ms. Ann Hoggarth: What are your thoughts about the issue of paid labour? How could this be addressed in the proposed legislation?

Mr. Joel Usher: If we want to continue to move forward with a system where parties can put together a team and can hit the ground running and have equal ability to do so, I think it's important that we are able to get people out to do that political canvassing, whether by telephone or on foot. If people can't do it because they're working two, three or sometimes four jobs—a lot of precarious

work out there—then it becomes more and more difficult to get volunteers out to do that.

In some of the organizational campaigning, I guess, that I've worked on, I've encountered a lot of retirees who are interested in being part of the movement. Then I realize that there are limitations that come with that, in that, when you get 70-something-year-old individuals, they might not be able to climb several sets of steps every day. That was a very real thing for some of the organizing that I've done. As much as their heart is in it, there are limitations there as well. They might have the time to do it because they're retired and because they have an income coming in, but there are limitations there.

Ms. Ann Hoggarth: Thank you. We have a recommendation from one presenter that only people performing professional services such as polling research, advertising etc. be prevented from being sent to work on a campaign while being compensated by their employer, while allowing people performing campaign tasks like phone banking, canvassing and sign installation to be able to receive compensation from their employer or union. What are your thoughts on this distinction?

0940

Mr. Joel Usher: Sorry. I guess I missed the first part of that question.

Ms. Ann Hoggarth: We've had a presenter who says that only people performing professional services like polling research and advertising should be prevented from being sent to work on a campaign, while other people performing campaign tasks like phone banking, canvassing and sign installation should be able to receive compensation from their employer or their union. What are your thoughts on this distinction?

Mr. Joel Usher: First, I don't really know enough about the entirety of the campaigning process when it comes to political campaigns to be able to make a really fair comment on this one.

From my perspective, which has always been the boots-on-the-ground, door-to-door guy, I see that as being somewhat of a limitation being placed, I suppose. I get my directions from the organizer, who tells me what area to go to. That area is obviously selected by people that that individual is proposing be prevented from doing that. So I guess I see it as somewhat of a detriment, somewhat of a negative thing.

Ms. Ann Hoggarth: Is there not an unlevel playing field, though, if corporations—for instance, I've had an issue where someone with a big corporation and lots of money and has people who work evening shifts has sent them out during the day and paid them to work on campaigns. That's not counted in campaign contributions, so they have a lot more money than other groups might. Is that not uneven?

Mr. Joel Usher: I would think that you would have to count monies like that toward campaign contributions. That's my limited-knowledge response.

Ms. Ann Hoggarth: Thank you.

The Chair (Mr. Grant Crack): Mr. Clark?

Mr. Steve Clark: Thanks, Mr. Usher, for your presentation and your openness. I know Ms. Hoggarth asked a

couple of questions and you mentioned the words “paid book-off,” that you were paid to book off and work for Ms. French’s or Ms. Lundquist’s campaign.

In other words, some of the discussion that we’ve been having—don’t you believe, in the openness and transparency that we should have in elections, that that should be ultimately, under this legislation, treated as a direct campaign donation to those campaigns, that you and/or your employer be somehow acknowledged as part of a donation to a campaign?

Mr. Joel Usher: I really and truly do not feel that.

Mr. Steve Clark: So if I could, Chair, through you to Mr. Usher, you mentioned Unilever. It’s a big corporation. If Unilever decided they were going to populate campaigns with their employees, don’t you think they should be used as a campaign contribution and that it be open and transparent?

Mr. Joel Usher: I believe it should be open and transparent, that that’s what is happening.

Mr. Steve Clark: But if Unilever decides, “I’m going to put 15 employees into Mr. Rinaldi’s campaign office,” shouldn’t those people be recorded and shouldn’t that donation of employee time, booked and paid off time, be recognized as a campaign donation under Elections Ontario?

Mr. Joel Usher: I would say no. The reason that I would suggest no is that you have to look at different segments of society, different class levels, and if it’s open and transparent, that’s absolutely perfect. But should those contributions be restricted? Should they be viewed as contributions? I’m not certain that they should. A lot of times what you get, whether it’s a corporation paying people’s time off or unions booking times off or any organization out there, is that compiling of people who may not otherwise have the opportunity to get out and do the work for the campaign.

Mr. Steve Clark: But, Mr. Usher, for example, if a renewable energy company decided to populate Bob Chiarelli’s campaign office with paid staff, I would think that’s exactly the same pay for access that we’re seeing with large fundraising donations. Do you not agree that those donations of staff time are just as important to be disclosed as donations to a campaign fundraiser?

Mr. Joel Usher: I believe so. Like I said, the transparency, I believe, is important, but I’m not following the line of questioning beyond that. I believe that it should be open, that it should be disclosed. But should that be considered a contribution that is eliminated from the Election Finances Act? I don’t believe so.

Mr. Steve Clark: Go ahead, Mr. Hillier.

Mr. Randy Hillier: Thanks. What my colleague is saying here: If Unilever gives \$100 in financial contribution, that must be disclosed and they must be disclosed. If they pay 10 people to work in a campaign, which would be a significantly greater amount financially, at the present time, it’s not disclosed and it’s not recognized as a contribution. So the question is, do you not think that that contribution should be recognized as such and also disclosed, just as if it was a cash donation?

Mr. Joel Usher: I believe it should be disclosed, but not disclosed in the same sense as it being a cash donation.

Mr. Randy Hillier: You don’t recognize it as the same value as money? Labour and money is not of the same value?

Mr. Joel Usher: I recognize it as being a different type of value.

Mr. Randy Hillier: Okay. Do you get paid when you work?

Mr. Joel Usher: Sometimes.

Mr. Randy Hillier: Sometimes. Okay. Thanks.

The Chair (Mr. Grant Crack): Any further questions? Ms. Fife.

Ms. Catherine Fife: You can see the challenge that we’re going to have here, right? We’re here because we found out that ministers had quotas of fundraising. The Minister of Energy was charged with raising \$800,000, and those donations that were going towards him were very much directly connected to his portfolio.

There are two issues here. One is that we have to track the money in between election periods, to try to find out if that money is in fact impacting government policy—some of us feel very strongly about that—and then there’s the election campaign period.

You said something really interesting, Mr. Usher, around some of the recommendations that are contained within Bill 201 affecting voter apathy. There was, in 2004, a Supreme Court ruling, *Harper v. Canada*, where the justice wrote, “Electoral fairness is key.” That’s what our work is here. We’re trying to instill some confidence back into the democratic process. He said, “Where Canadians perceive elections to be unfair, voter apathy follows shortly thereafter.”

You mentioned that the new third-party advertising, for instance, especially that six-month period before an election to shut down the voices of citizens—you said that that is essentially censoring those voices. Then you went on to say that this would impact civic engagement and apathy, in that people don’t see that the government is reflecting their values because they haven’t had an opportunity to weigh in on the election. Do you want to touch on that point a little bit more, please?

Mr. Joel Usher: It goes back to what I said in my speech that I gave: that knowledge really is power. If people are being fed from a certain number of sources an incomplete version of the truth or perhaps a veiled version of the truth, or a version of the truth that they don’t trust, which is perhaps the most important thing here, then that, I think, is going to lead them to be apathetic about the entire process. I think that it risks lowering voter turnout. It risks that horrible term, “voter suppression.” I think that’s the real risk of censoring organizations from being able to contribute—the third parties.

0950

Ms. Catherine Fife: Yes, and I think that there’s a fundamental issue of trust here, as well, for the government to define who a third party is. I mean, a third party

could be 10 parents who are fighting for autism reforms, and they're not going to be able to weigh in.

I do want to tell you, though, that the electoral officer has recommended that that six-month period prior to an election not be applicable, because it is essentially suppressing the voices of Ontarians.

Your other points that were connected to the censorship and the voter apathy as it relates to Bill 201 also had to do around enforcement and who will enforce those rules. Your point about the penalties, actually, is very well taken. So thank you very much for being here today.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Usher, for sharing your views and comments with us this morning. We appreciate it.

Mr. Joel Usher: Thanks a lot.

MR. MATTHEW GVENTER

The Chair (Mr. Grant Crack): Next, we have Mr. Matthew Gventer. We welcome you, sir. I hope I said your name right.

Mr. Matthew Gventer: That was great, thank you.

The Chair (Mr. Grant Crack): Good. Again, you have up to 10 minutes for your presentation, followed by 15 minutes of questions and comments from members of the committee. The floor is yours, sir. Welcome.

Mr. Matthew Gventer: Thank you. I really appreciate the opportunity to speak, and I appreciate the importance of what you're trying to address. I'm going to speak on amendment 37.10.1 of Bill 201, which has to do with third-party financing.

I'm not an expert, but rather a lay witness. On the other hand, I wouldn't claim to be naive or a randomly selected witness. While I was restricted in my public political engagement through most of my working career due to my employment in federal corrections, I was a keen observer and also an active participant at the municipal level. After my retirement 16 years ago, I have managed election campaigns, written articles for a community newspaper and actively advocated on various issues.

Bottom line: It is a serious challenge to get the electorate to pay attention to any non-monetary issue for more than a few weeks. Much of this is due to the din of voices and communication styles that blast out images and noises of the most recent crisis or excitement-generating event. During elections, it is rare to get the media and the electorate to give serious consideration to options and choices that are not part of the campaign rhetoric, image marketing and sound bites.

Now I admit that occasionally an issue, such as the pipeline issue or poverty and homelessness, rises above the controlled tumult, but the responses are not very profound and do not involve a shift in policy direction. And perhaps it can't be otherwise. Platforms are developed over time and manufactured to respond to electorate priorities and concerns. Also, we should have some expectation that policy conventions of a party should influence the platform—for me, probably to determine

the platform, in my view, but parties are not working that way right now, so that's the reality. However, at least issues are aired and some sense of expectation for future action is generated. From time to time, promises are made that provide a basis to raise the issue after the election.

One issue that I push is that of affordable housing. In Kingston, about 15% of the population falls into the core-housing-need population. "Core housing need" means that people pay an exorbitant amount of their income for housing and/or are living in substandard housing. That doesn't mean that housing is not a challenge for all of the other 85%, just that their life situations may be sufficient to allow them to find secure and satisfactory housing within the current market system. The lower-income portion of that aggregation might slip into the core-housing-need sector from time to time; however, the issue of keeping a roof that is not rotten over their heads does not preoccupy them day to day.

So how do we get that issue to influence election outcome? How do we get the candidates to commit to a national housing strategy that includes sufficient resources and innovative and effective program strategies? More of a problem, how do we get the public to promote the diversion of resources into this critical social and economic justice issue? We need to make it real for them. We need to appeal to their common values. We need to make them aware of how this can be implemented. And we need to show them how they personally benefit from a society that has low-income housing solutions as part of the economically productive system.

That is a tall order. We try to do that between elections, sure. But elections are the time for choice. A vote may be for many reasons, and it is difficult to claim that a discussion of one issue during an election proves that this issue was important to the voting decision of the electorate. Nonetheless, the more prominent an issue is in the election, the higher the expectation that it will be part of the program after the election, which brings me to the point of this presentation.

I think you need to reassess the amount of money allowed for advocates not representing a party or a candidate. It doesn't matter whether or not a campaigning party—or a registered party—holds a position on the issue. What matters is that issues need to be aired and given more attention than occur in debates. Party platforms are usually more detailed and offer a basis for discussion and choice, but most of the electorate do not probe those sources. Further, even if they do, they may give more attention to such content by topic if they have been clued in to their importance. We need to have the opportunity to promote that attention.

So how much is enough? And just as important: How much is too much? I appreciate greatly your attempt to deal with the inequities of financial advantages and financial distortions of the electorate's attention and perceptions. We don't want super PACs dominating decision-making. However, we do want to enable good discussion of issues. We do want effective systems of

aggregation that allow those committed to addressing some specific concern to be heard.

My most knowledgeable input is about the local riding picture. A minimum riding campaign budget is in the area of \$30,000—that is the minimum. That amount provides for an inadequate amount of publicity and advertising. Of course, a third-party advocacy does not usually require office staff, an office, or three pieces of literature. However, a sign campaign may be useful: \$10 a sign for 100 signs provides for marginal visibility. A newspaper advertisement of six inches by four inches in size costs in the area of \$1,000. Preparing flyers and printing them for an electorate of 60,000 households runs easily \$6,000. Distributing them through the postal walk system is another \$9,000. I haven't accounted for radio and TV advertising and website preparation and hosting, but you can see already that just to get an issue out there at all is well above \$4,000.

I have run successful municipal ward campaigns—in Kingston they're districts, but they're equivalent to a ward—for about \$4,000, but a ward is about 4,000 households. With 12 districts in Kingston, that amounts to \$36,000. This did not include office space, and all work was on a totally volunteer basis. Distribution of campaign literature is free because in the case of 4,000 households, the candidate can get to every household and distribute the literature individually, personally.

Since my last such campaign seven years ago, inflation and more sophisticated campaign methods would have increased costs considerably. Of course, social networking costs less and has replaced some other methods. Bottom line: \$4,000 is inadequate to effectively communicate a message in the competitive environment of a single constituency election.

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It seems to me that in a large city environment the challenge is greater, and the amount that should be allowed should reflect this difference. Media are more likely to be serving the entire metropolitan area. Directing advertisement to the local riding is, therefore, more of a challenge. Further, social connections are more universalistic and diffuse for city dwellers.

In the context of a riding similar to Kingston, I estimated that \$10,000 is a more reasonable limit. Volunteer work involved in the campaign of the advocacy third party should not be counted in that cost.

For a local organization, raising the money to engage in such a campaign will be a struggle. It is the unfortunate reality of our society that affluent interest groups will have an advantage. Therefore, for third-party advocacy, contributions from corporations and unions should not be prohibited under certain conditions. The third-party publicity should be strictly non-partisan and give all parties the opportunity to respond to the advocacy and explain their take on the policy being promoted.

I see that one challenge for this committee is to come up with other boundaries to ensure that third-party advertising be specific-issue oriented and not part of a campaign in favour of an individual party. Perhaps collusion

between a third-party advertiser and other campaigns could be negatively sanctioned.

While preparing this presentation, an idea struck me. I am not sure it is operational in the Ontario legal context, but I suggest this kind of creative thought might provide for a more responsive and just solution. What if the expenditure limits were assigned to regulations rather than starting with a rigid legislated amount? What if a method was mandated that included consultation between representatives of the registered parties and the Chief Electoral Officer? What if—preferably through a consensus method, but ultimately by final decision of the Chief Electoral Officer—the amounts were set prior to each election and the amounts varied according to the class of ridings, geographical size, number of voters and how many ridings are in the metropolitan area containing the riding? It would give some flexibility to deal with unique situations.

I tend to think that my comments on the individual riding can be generalized to province-wide campaigns. It is not clear how the limiting figure of \$100,000 was determined. If a campaign in a single riding was assessed as being \$4,000, and a third party wanted to have an impact on all voters in every riding, why wouldn't the cost be a multiple of 107 ridings? On one hand, I realize that there are cost savings in mass purchases of signs and campaign literature and bulk advertising. I realize that campaigns can be targeted so not every riding need receive the same level of attention. However, the cost of running a province-wide campaign must be even greater than doing so at the local level. Being heard at that level, in what will be an even more noisy message environment, will be difficult. While I suggest the spending limit be higher than \$4,000 at the riding level, it is reasonable to discount the amount in savings in running a province-wide campaign. On balance, a spending limit of something like \$400,000 province-wide would seem more justifiable.

Thank you for considering these comments.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Gventer.

Mr. Fraser.

Mr. John Fraser: Mr. Gventer, thank you very much for being here this morning and for your presentation, and thank you for your work in corrections. My father spent most of his career in corrections at the federal and the provincial level, so I can appreciate that, probably while you were working there, as with him, you couldn't be politically involved. When you're a person who is politically involved in your head, it's hard. Thank you for your work after retiring.

I'm very interested in your presentation and by a couple of things that you had to say there, but I want to start with a little bit of a preamble about why we're here. We're here because the rules that we've established for ourselves, or that had been established over the years, all parties have used to whatever extent that they could, and now we're looking at changing those rules and trying to set up another framework.

It can be a bit of a complicated thing, as you can see as you were going through and trying to sort out the third-party stuff. You want to get it right because you know a small action one way or the other way may disadvantage people. One of the things that I've learned over a period of time in politics is that, generally, it's hard to hear the voices of the less affluent. That's not to say that each party does not represent the less affluent or that less affluent people are more prone to one party or another.

As you were saying, talking about the noise, it's trying to turn down the volume a little bit so you can hear some of those other voices that are there that are saying, "This is what's important to me." That's how I view the exercise. So when it comes to third-party advertising, that's an effort, as well as with political contributions and the other things in the bill, to try to turn down that volume a little bit. I'm interested in what you have to say. It is an interesting idea about looking—I don't think we should make things any more complicated, but through regulation, I'm not sure how quickly we could come to a consensus in all three parties before each election on what we were going to do, but it is a recognition that there are differences in different places.

Given that we put some restrictions on third-party advertising in the bill—on before and during the election period—there are other activities that aren't included in that restriction that's currently in the bill, and those are around the transmission of news or op-eds or an editorial, mailings to union members or shareholders or company employees, making telephone calls to get out the vote, and just day-to-day political advocacy and operation. Do you think that those should be restricted in any way, those four things that I just mentioned? Do you think that they should be included in that?

Mr. Matthew Gventer: My initial response is that it sounds like it's going to become too complicated. There are challenges. Every time we turn around in our world now, there are new challenges; there are new technologies. I don't know if you're going to solve them all.

Interjection.

Mr. Matthew Gventer: Sorry.

The Chair (Mr. Grant Crack): No, go ahead.

Mr. John Fraser: He's just telling me not to ask another question. But you can finish your answer.

Mr. Matthew Gventer: I don't have much more to say about that. I appreciate that you're deliberating these kinds of issues. I should stick to what I have thought about and know. I agree with where you're headed, that is, where the committee is headed, and what we're trying to do to restrict large corporate and union interests so they don't dominate the conversation. However, you do want to allow the dynamics of elections to occur. That includes phoning and gathering resources to help you do those things. It has got to be balanced, and that's what you're trying to do. I understand that.

Mr. John Fraser: Thank you very much.

The Chair (Mr. Grant Crack): Thank you. Mr. Clark.

Mr. Steve Clark: Thank you very much for your presentation. I appreciate you taking time to give us your

thoughts. I also was aware from my colleague that you were here last year when the other standing committee was travelling, so I appreciate you taking time to give us your comments. I think the last time we saw each other, we were both having two different protests. I think you were doing one on the \$15 minimum wage while I was over at MPP Kiwala's office talking about autism funding. So it's nice to see you again.

I appreciate especially the fact that you've limited your comments to things that you know in your experience. I really appreciate the breakdown from a local riding perspective. It reminded me of my first campaign when I ran municipally as mayor of Brockville at 22. I think I spent 800 bucks and had a dozen signs. I had to keep my funds very lean because I didn't have a lot of funds.

I also appreciate your comments about super PACs and about third parties in relationship to campaigns. I guess, looking at the last provincial election, for example, one of the third parties that had registered province-wide did some work in eastern Ontario, installing signs in different ridings. I can remember, in my riding, that a group of people in a pickup truck blanketed my riding with signs. Some of them were placed illegally.

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I guess my feeling was that that third party should have disclosed that sign campaign in my riding as opposed to being part of a third party across the province. Given your local experience and given that example, if that was something that continued, would you think that that third party should have a separate rule for the riding for a campaign like a lawn sign campaign?

Mr. Matthew Gventer: It seemed to me that you were addressing that by distinguishing how much could be spent on each riding and what the total amount would be in the province. How you keep track of that is a major problem, as you realize. You'd have to wonder how you expect the third party to distinguish how much they spend in this riding and that riding, but you seem to be expecting some kind of accounting of that kind.

Mr. Steve Clark: Well, no. I'll just give you the example. There were citizens that were calling Mr. Essensa's local officer, asking whether this group had registered in the local riding and whether there was a contact person, because there were some illegal activities under municipal bylaws. Because you're so focused on a local campaign, do you think in that case, if there was a third party operating in one of Ontario's—right now—107 ridings, should they go to the Chief Electoral Officer or go to the local office of Elections Ontario and have to register prior to doing that local activity, whether it be in Leeds–Grenville or in a riding of one of the MPPs around the table? I certainly think that there should be some record of that and some accounting of that. I just wondered whether, given your vast experience at the local level, you agree or disagree or have another suggestion.

Mr. Matthew Gventer: My previous comment is the same. I agree it would be great to keep track, but I'm trying to think of the dynamics of 107 ridings and an

organization communicating its point of view and trying to parse out how much is spent in this riding and how much in that riding, and for you to keep track of that also and to expect it. It's going to be a challenge. I'm not saying I have the answer to that. I'm saying that you're raising the issue from your experience, and a critical experience, in your riding. I'm trying to see how you'd deal with that on a legislative basis. I don't have a clear answer. Ideally, I think the proposed distinction should apply. It would be great if it could work to some extent—to the extent that it doesn't get too oppressive. But I'm not sure how that dynamic would work. It's a challenge.

The Chair (Mr. Grant Crack): Thank you. Ms. Fife.

Ms. Catherine Fife: Thank you very much for coming in and giving us some additional thoughts on Bill 201. I think you can see what we're challenged with. Right now, as the system is designed, there is a genuine lack of transparency in the way that parties raise money and especially, I guess, from the government side as to how they can draw more money into affecting policy. Regardless of the teachers' support for MPP Hoggarth or the wind turbine folks' support of the PC Party or the environmentalists supporting us, there is a genuine need, obviously, for transparency.

BC mandates disclosure. That disclosure is actually built into the fundraising framework in that province. I think it is doable, but you do raise some concerns about who sets the limits around donations, whether they are cash donations or gifts in kind or phoning or mailing or professional services like lobbying and research.

The challenge of this committee is to try to level the playing field, if you will. We're supposed to be keeping the elector at the centre of this debate. One of the issues that we have heard about has to do with government advertising. You didn't necessarily touch on government advertising, but you will note that there is a lot of government advertising and that this legislation does not limit governments advertising and promoting government initiatives prior to an election or even during an election. Would you like to share any thoughts on that with us?

Mr. Matthew Gventer: Honestly, you can try to control too much.

Ms. Catherine Fife: Governments have power, though. You would agree that governments have power.

Mr. Matthew Gventer: I understand that. I think government advertising, especially in the previous federal government, was quite distorting, unfair and misrepresented many things.

Ms. Catherine Fife: So you agree that there's risk?

Mr. Matthew Gventer: It is a problem, but do you deal with that in the election legislation or do you deal with that by putting some restrictions on the process of the use of public money for advertising?

The problem with government advertising is that it's difficult to distinguish when an advertisement is for a legitimate purpose and when an advertisement is for propaganda reasons.

Ms. Catherine Fife: Yes, and the Auditor General has indicated that that is an issue in the province of Ontario

because the government already changed the Government Advertising Act in 2015. So it does impact the conversation that we're having around communicating government policy before elections and during elections.

My takeaway from your presentation is that there's always risk, especially when partisanship is involved.

Mr. Matthew Gventer: Exactly. That's true.

Ms. Catherine Fife: Thank you very much.

Mr. Matthew Gventer: But I think what I want you to take away, if you don't mind, is that we need to get specific issues well thought out. If you suppress too much the capacity of organizations and people concerned with trying to get a specific issue well thought out and considered in the electorate, then you're interfering with an effective democratic process.

Ms. Catherine Fife: That's exactly our concern. Thank you very much, Matthew.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Gventer, for coming before the committee this morning. We much appreciated your comments.

Mr. Matthew Gventer: I appreciate your work. Thank you.

MS. DIANNE DOWLING

The Chair (Mr. Grant Crack): Next we have on the agenda Ms. Dianne Dowling. Do we have Ms. Dowling with us this morning?

Ms. Dowling, we welcome you this morning. You have up to 10 minutes for your presentation, followed by 15 minutes of questioning by members of the committee. Again, thank you for coming this morning and taking the time. The floor is yours.

Ms. Dianne Dowling: Thank you very much. I wanted to begin by saying that I'm speaking as a citizen who's involved in a lot of community actions and groups, primarily at the local level. I do not have experience in running for election or with party politics and the details of spending.

I'm speaking here more as a citizen who absorbs a lot of news. I read the paper, follow news online and care passionately about community issues. I guess I'm speaking a lot more generally than Matthew did. I greatly appreciate the detail and the analysis that Matthew brought with his numbers and so on.

My presentation has been handed out to you. I'll just read from it.

I'm pleased that the Ontario government is reviewing the terms of the Elections Finances Act and holding hearings to receive feedback from the public. Fair and transparent elections are essential in a democracy. Without appropriate limits on contributions and spending, the outcome of an election can depend on who has the most money to spend on advertising and other forms of influence.

Many of the proposed amendments put reasonable limits on spending by parties and candidates, as well as limiting the amounts that can be contributed by individuals. However, I am concerned about the amendments

related to third-party advertising on three counts: the spending limits, the definition of “political advertising,” and the time period in which the spending limits apply.

1020

Dealing with each of those three: Considering the cost of mass media advertising on topics of province-wide interest, the spending limit for third-party advertising, \$100,000, is too low to effectively reach voters throughout the province.

Secondly, Bill 201 redefines “political advertising” not only as direct support of, or opposition to, a political party or candidate, but also as advertising on an issue associated with the position of a registered party or candidate. As a result, likely every issue of public concern will be included in that definition. Consequently, public interest organizations will be severely limited in their capacity to reach out to voters on issues they have identified as important.

Thirdly, the limits apply not only during the election period but also during the six months preceding a scheduled election, a considerable restriction on public debate.

Political parties are well equipped and practised in reaching the public through mass and targeted advertising, and have developed techniques for evaluating, reinforcing and altering public opinion—all the more reason that other civic voices need to be heard before and during elections.

I am active in a number of organizations related to food and farm issues, and to social justice and environmental concerns. These groups are constantly working to reach more people with information about our activities and our objectives. Limits on third-party political advertising, as outlined in the proposed amendments to Bill 201, will be a barrier to informing the public about important issues.

I respectfully ask the members of the Standing Committee on General Government to recommend changes in Bill 201 that allow for more advocacy and participation by third-party participants in meaningful public discourse during and leading up to elections.

That’s my statement for you.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate that.

We’re going to start with my friends on the left. Mr. Hillier.

Mr. Randy Hillier: We’re always to the left of you, Mr. Chair.

Mr. John Fraser: In what alternate universe?

Mr. Randy Hillier: Good morning, Dianne. Thanks for being here and thanks for your presentation.

You do speak to a conundrum that is apparent to everybody. We’ve talked about it at this committee. We’re not quite sure how best to resolve it. I think this idea of issues advocacy is important to ensure that people can advocate for an issue, and really, there’s very seldom—I can’t think of any time when any organization was advocating for an issue that wasn’t already, or wanting to become, a political issue.

You’ve been involved in a few campaigns, and every grassroots organization, every local organization, wants politicians to hear their message and then hopefully embrace it and advocate for it as well.

Ms. Dianne Dowling: I would just add to that: Yes, we want to reach the politicians during the term of governments, but also the candidates, of course, during an election.

But we also want to reach the public and gauge the public’s interest. If we can’t get the word out, then we don’t know what the response might be or we don’t know what the potential is for our issue to reach widespread public agreement—or disagreement, I guess.

Mr. Randy Hillier: But even in wanting to engage the public, it’s for that political purpose as well: to demonstrate that campaigns or people seeking office recognize and value that issue, and be a champion for it.

Ms. Dianne Dowling: Yes, and I think that’s part of the concern I have with the definition of what is limited in this bill as political advertising, because, considering that it’s defined as an issue associated with the position of a registered party or candidate, that’s probably going to include every possible issue that there is and so therefore all of these topics come under this legislation.

Mr. Randy Hillier: I’m sure you’re familiar with or have heard the term Working Families. They were the biggest spenders in the last couple of provincial elections; an umbrella group of various private and public sector trade unions. I think—what was it?—over \$6 million they spent in the last election.

Mr. Jeff Parker: It was \$2.5 million.

Mr. Randy Hillier: It was \$2.5 million. Those ones are easy to deal with when they purposely look to be a partisan ad, but it doesn’t take much to disguise a partisan ad and cloak it with some issues. I’m not sure if you’ve got any suggestions or recommendations yourself on how we split out—because from what I was hearing, you’re fine with limiting that partisan political third-party advertising.

Ms. Dianne Dowling: Yes. I’m concerned about what we call civil society, people who are aware of issues and are concerned about them maybe because of personal experience or concern for friends and neighbours or whatever it might be, a general social conscience.

I would hope that in this legislation there could be some flexibility or some levelling of the field, as was said before, to allow these smaller groups. When I look at this \$100,000 limit, actually the groups that I’m involved in wouldn’t have that kind of money, period. We certainly wouldn’t be spending over the limit, so it wouldn’t be a problem. But then it also means that our voice doesn’t carry very far. There could be coalitions or organizations that are supporting what I would consider good policy for Ontario that do have the money to spend on it and I would like to think that those ideas could be put out there for discussion.

Mr. Randy Hillier: Thank you very much.

The Chair (Mr. Grant Crack): Ms. Fife?

Ms. Catherine Fife: Thank you for coming in today and for sharing your perspectives. I find it really interesting because we've heard from a lot of people who are very engaged in the professional state of politics, if you will. To hear from you on issues that you actually care about from a grassroots perspective, if you will, is very important.

You use one of your examples around farming, for instance, trying to get issues that affect the agricultural industry and sector. As the act is crafted right now, six months prior to an election those voices would be limited. Fortunately, the electoral officer has said in his report to us that he recommends that the definition of political advertising proposed in the bill apply only during the writ periods; in other words, that it not apply to the six months preceding the call of a scheduled general election. That's a recommendation that New Democrats are supportive of and it sounds like you're supportive of as well.

The government advertising piece is the other side of that. The Auditor General has said to us that when the government changed the Government Advertising Act in 2015, it actually allowed more partisan commercials to play at a cost to the taxpayers. There are no limits right now on government advertising six months prior to an election.

Do you have any concerns about the government being able to spend as much money as they want on advertising, be it around the politics, around issues and around elections?

Ms. Dianne Dowling: I guess I would if it's coming across as advertising that is holding up the governing party as the champions of all these good things they're advertising. Obviously, the government needs to advertise lots of things that are in the public interest.

Ms. Catherine Fife: Yes. Right now there's an advertisement around texting and driving. I'm completely supportive of that.

Ms. Dianne Dowling: Yes.

Ms. Catherine Fife: But they also released commercials on the climate change plan that hadn't yet been released. That's a problem for us.

1030

Ms. Dianne Dowling: I have seen the analysis that these limits on advertising in the six-month period, which I guess is still a proposed amendment—I'm happy to hear that the Chief Electoral Officer is recommending changing that, but the government's advertising is not covered by that regulation. I think we saw with the previous federal government that there was a great deal of advertising that was done, I think, to promote their party as opposed to the government of Canada.

Ms. Catherine Fife: I appreciate your perspective on trying to ensure that the public has the information that they need to make an informed decision before going in to an election. We are supposed to be keeping the elector at the centre of this debate; not us as individual candidates and how it will impact our future campaigns or our parties. It's supposed to be instilling confidence back into

the electoral process. So we see lots of changes that need to happen with Bill 201.

Thank you very much for coming in.

Ms. Dianne Dowling: Just to add to that, I think that if there could be some kind of mission statement in front of your committee, "Remember the elector," and maybe "Remember the citizen"—I don't know; I am concerned that the citizen is forgotten in between elections, and then they're the almighty voter during the election. So remember the citizen. Remember that we're doing this for the people of Ontario and what would bring the most benefit to the people of Ontario.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Rinaldi.

Mr. Lou Rinaldi: Thank you, Ms. Dowling, for being here today. I think it's important that you took the time out to express your concerns. I always say that I wish there were more people like you.

Ms. Dianne Dowling: I also want to congratulate the committee members for doing these hearings. I know you've just finished your legislative sitting, and here you are at meetings again.

Mr. Lou Rinaldi: For sure. That's what we live for, sometimes. That's what we live for.

Anyway, I have a couple of questions, if you could maybe enlighten us a little bit. I know that you've been involved with the Save Our Prison Farms campaign.

Ms. Dianne Dowling: That's right.

Mr. Lou Rinaldi: You also would know that in Bill 201 some of the legislation geared to third-party advertising is modelled after the federal regulatory process.

Ms. Dianne Dowling: Yes.

Mr. Lou Rinaldi: So can you maybe tell us how working within those federal regulations of third-party advertising—and the province is wanting to do the same thing, or we're proposing roughly the same thing—how did that work out for you during the 2011 campaign?

Ms. Dianne Dowling: When I heard about these hearings—I do have experience as a third-party advertiser. The Save Our Prison Farms campaign that was active here in the Kingston area and the whole wider region, during the 2011 federal election, did run ads in our own local papers in a couple of ridings. It was very limited. The spending was nowhere near \$100,000; more like less than \$1,000 probably. Because it was seen as an issue that was known locally and that we wanted to identify our position on—I actually am the person who registered our group and received the paperwork and so on. Because we had such a small-scale effort on it, it was not that hard to register or to submit our expenses afterwards and so on.

Mr. Lou Rinaldi: So you would consider that was a satisfactory way of doing it?

Ms. Dianne Dowling: Yes, I would.

Mr. Lou Rinaldi: Great. Thank you.

Ms. Dianne Dowling: I repeat that we were on a very small scale.

Mr. Lou Rinaldi: Sure. Thanks for that.

The other piece is, I think amongst all of the parties we do have some planks that we agree on how we'll get there; maybe we have some differences. I'd be interested in hearing some of your comments, for example, on what we're proposing, to end corporate and union advertising. Is that something that you, as an individual or when you were part of a group or if you are part of a group, would support, that kind of initiative?

Ms. Dianne Dowling: Specifically what?

Mr. Lou Rinaldi: To end corporate and union donations.

Ms. Dianne Dowling: Yes, I agree with that. I think the individual who contributes money to a party should be doing that strictly as their individual choice.

Mr. Lou Rinaldi: I'll make this a question-and-answer session. I've got a couple of more.

One of the suggestions is the piece about public contributions per voter that the federal government initiated and is phasing out. Would you support something to that extent?

Ms. Dianne Dowling: The thing where, depending on how many votes you got in the last election, your party gets a relatively small amount per voter?

Mr. Lou Rinaldi: Yes.

Ms. Dianne Dowling: I would support that. I wouldn't want to see the amounts be huge, but I think it gives smaller parties an opportunity to have a little more financial support for their campaign to get their message out.

Mr. Lou Rinaldi: And the reduction to individual limits? We're suggesting lowering that.

Ms. Dianne Dowling: Can you remind me what they are now and what they could be?

Mr. Lou Rinaldi: Maybe the Chief Electoral Officer can help us. What are the exact spending limits that we have now for individual donations?

Interjections.

Mr. Greg Essensa: It's in the bill. It's \$7,750. Yes, that's correct.

Ms. Dianne Dowling: For an individual.

Mr. Lou Rinaldi: For individuals.

Ms. Dianne Dowling: Is that lower or higher than the limit now, or is there no limit?

Mr. Lou Rinaldi: It's a little bit lower, correct?

Mr. Greg Essensa: It is lower. Currently, it's over \$9,350, I believe.

Mr. Lou Rinaldi: That's what it is now. So it's about \$2,000 less, roughly.

Ms. Dianne Dowling: I'm not sure. I think those two numbers are pretty close. There's not a great deal of difference between them. I wouldn't want anyone to think that I think \$2,000 isn't much; but—

Mr. Lou Rinaldi: It is.

Ms. Dianne Dowling: It's still a fair amount of money for an individual. In my optimistic world, I would love to see everybody involved in politics and issues, and everyone contributing according to their means—with limits—and, therefore, more people donating to campaigns or to issues.

Mr. Lou Rinaldi: Recognizing that there's a need to fund-raise to run campaigns—I think we all agree on that—do you have any final thoughts on how we could do that in a fair way, looking at the bigger picture? I know it's a huge question, but do you have any suggestions for us?

Ms. Dianne Dowling: Not specifically. As I said at the beginning, I'm speaking as a person who follows politics, who cares about it, who bores her family members some days, although I'm happy to say that most in my family are actively involved in issues too. I just would love to see more people actually trying to find out information and more information out there for people that helps them make decisions on issues.

The Chair (Mr. Grant Crack): Thank you, Ms. Dowling, for coming before committee this morning.

Ms. Dianne Dowling: Thank you, everyone. Have a good day.

MS. SARA LABELLE

The Chair (Mr. Grant Crack): Next on the agenda we have Sara Labelle.

Good morning, Ms. Labelle. How are you today?

Ms. Sara Labelle: I'm good.

The Chair (Mr. Grant Crack): Good. We welcome you before committee this morning. You have up to 10 minutes for your presentation, followed by approximately 15 minutes of questioning from the three parties. We welcome you, and the floor is yours.

Ms. Sara Labelle: Thank you. As you mentioned, my name is Sara Labelle. I'm a medical laboratory technologist. I work in Oshawa, in the Lakeridge Health facility. I also serve as OPSEU's hospital professionals division chair, representing 24,000 hospital professionals across the province. I am very active with my local health coalition. In that role, in that capacity—you'll find out I have quite a passion for health care and I've been involved in a number of community-based campaigns over the years in my involvement about issues that matter to me. I believe strongly in the importance of community members speaking out on issues that affect their lives. From that perspective, I want to talk to you today particularly about the third-party advertising component in Bill 201. There are three significant concerns that I have with the way that issue advertising is handled in the proposed bill. I will echo some of the things from the previous speaker.

1040

My first concern is the way that all issue advertising, whether it tells someone how to vote or not, is treated the same. It's not only for the election period but for the six months leading up. For me, there's a clear difference between a community that is rallying to save its local hospital or services when the government threatens to close it versus a group of companies—or unions, for that matter—running a series of ads that are telling you how to vote in an upcoming election. But when I read the proposed legislation, I'm not sure that there is a clear difference between that kind of advertising, as written.

As I mentioned, I live in Oshawa. What that means is that if my government proposes cutting back on health care in my community and closing a hospital there, which affects my health and impacts on the community members' health, then I should be able to speak out against those issues. I should be able to stand up and my whole community should be able to rally and stand behind their community hospital, regardless of whether the next election is in three years or three months. I work in Oshawa as a medical laboratory technologist, and that decision would not only impact my health, but it could potentially impact my livelihood.

I do believe that I have the right to speak out against issues that impact my livelihood, as well as my health. In that case, if my fellow union members want to stand up and rally to protect their community, they should be allowed to do that. I'd expect them to because I pay dues to my union. I would expect my union to stand up and fight for issues that are important to me.

If the government wants to make cuts to hospitals across Ontario, and my union wants to make sure that Ontarians know what impact those cuts would have on the health of communities and on thousands of good jobs across the province, it should be able to. But the way this law is written now, if there was an upcoming election in the next six months, my union wouldn't be able to say much.

There are 130,000 members in the Ontario Public Service Employees Union, many of whom work in hospitals; 45,000 people work in health care in OPSEU. If they wanted to spend \$5 per member on a campaign to tell Ontarians about the risk of those cuts, they would already be over the limit. We're not just talking about expensive TV ads. In fact, just sending a single postcard to each home in Ontario to tell them how these hospital closures might impact those who live and work in those communities would already be well over the limit that's allowed under this proposed legislation. Meanwhile, the government would have no limit on its ability to tell Ontarians why these cuts are needed, and that brings me to my second concern about how third-party advertising is treated in this bill.

While this bill drastically limits what community groups can spend or say, even outside of an election, it puts no such limits on the sitting government. Under this legislation, while my union or community advocacy group couldn't even mail a single postcard to each home in the province, the government could take out millions of dollars in TV ads to tell their side of the story.

Now imagine that we're in the middle of negotiating a collective agreement. Under the broad definition of the type of advertising that is limited, we wouldn't even be able to talk to the public about most of the issues that we face in a round of bargaining if it was within six months of an election. If we wanted to speak about issues about workload, which impacts on patient safety in hospitals, we would be tied. On the other hand, the government could spend whatever it wanted in order to support its arguments at the bargaining table. This bill ties one hand

behind my back while placing no limits on the government, and that hardly seems like a level playing field.

My third and final point is that these limits on issue advertising are so broad that they're basically unenforceable. This isn't just about limiting freedom of speech, though that's a real concern; it's also just a question of how you would even begin to police this without it simply turning into a waste of tax dollars.

Do we really want to pay for Elections Ontario investigators to chase down receipts from everyone who holds a rally in the public square? Do we truly believe that groups of parents who want to save their school or groups of seniors running a letter-writing campaign to raise awareness about underfunding of long-term-care homes are the groups that have too much influence in our province?

As you look at this bill, I would ask you to find a solution that creates a level playing field for everyone but doesn't create a chill on the ability of the public to speak out, especially when there isn't even an election under way.

If we need to have a broader definition of what constitutes third-party advertising during an election period to make sure that loopholes aren't exploited to get around the limits we've set on advertising, I can accept that. What I have trouble accepting is a law that tells people that because there's an election coming half a year away, they can no longer talk about anything that's in the public interest, just in case it becomes an election issue. After all, if a community is successful in making something become an election issue, isn't that just further proof that it truly was a matter of public interest?

I believe that we need limits on third-party election advertising, just like we have limits on donations, so that when it comes time to vote, those with the most money aren't the only ones who are heard. But I would urge you to find a solution that doesn't put a chill on the ability of citizens to tell government how they feel and what they feel. After all, that seems a pretty important part of any functioning democracy.

Thank you for your time and attention today.

The Chair (Mr. Grant Crack): Thank you very much, Ms. Labelle, and we'll start with Mr. Milczyn.

Interjection.

The Chair (Mr. Grant Crack): He had his hand up first. You can go last.

Mr. Peter Z. Milczyn: Good morning, Ms. Labelle. Thank you for coming out this morning and for your presentation and some points well taken.

There's another aspect of third-party involvement in election campaigns that we're also looking into as part of the deliberations over this bill, and that is the use of paid volunteers in committees, essentially, when an organization might pay its employees to go out and work on a particular campaign.

One of the things that we want to delve into, and I certainly would appreciate your views on this, is how should that be treated? Does that need to be disclosed?

Does that need to be valued? Does that also need to be subject to some limits on the amount of contribution of labour that would be provided?

I wonder if you have any personal experience, whether you've ever been directed to go and work on a campaign while being paid for that. It's not a bad thing if you were; it's just for context and for your views.

Ms. Sara Labelle: I've never been directed. Anybody who knows me personally knows I don't take well to direction. But have I volunteered on campaigns? Yes, I have, and I do so because I believe in the electoral process and I believe that the people who are out campaigning need people who will help knock on doors. So I absolutely have volunteered to campaign, and I do believe that all of the above, what you've mentioned—setting limits, disclosing, all of that stuff—should be open and transparent, that information, and if you're going to have limits, just make sure it's a level playing field for everybody.

Mr. Peter Z. Milczyn: What I was getting at is if an employer tells 10 of their employees, "We want you to go out tomorrow and spend the entire day knocking on doors. You don't have to come to work; you're still going to get paid for your labour." That's what I was getting at. Should that be subject to limits? Should that be disclosed? Should that be prohibited?

Ms. Sara Labelle: All of the above. If it's going to happen, if you are going to allow it to happen under the legislation, there should be limits on it and it should be a level playing field and disclosed so that people are aware of who's volunteering. It's the same as a donation, or similar, right?

Mr. Peter Z. Milczyn: So this would fall under, I guess, a third-party involvement. Should that be a separate amount of labour that could be donated, or would it fall under the overall rules for third-party involvement? Do you have any views on that?

Ms. Sara Labelle: The rules as proposed on third-party are restrictive at this point, so unless there were changes to how that's written, I'm not sure it would make sense to roll it in—maybe separate. But I was concerned about the limits on the third-party to begin with.

1050

Mr. Peter Z. Milczyn: Okay. Another thing that's somewhat related is that some have raised the concern that certain organizations, certain companies, might funnel donations through their employees because of the lowering of the limits; they might view that as a loophole. Is that a concern of yours? Do you have any views on that, on how that could be addressed?

Ms. Sara Labelle: Aside from it being completely onerous to track that kind of donation, I don't know that that's a good investment of tax dollars. But it is a concern because I'm pretty sure there are a lot of CEOs who have bigger pockets than I do, and perhaps their organizations could deal with siphoning money off through individual donations. As far as the individual spending donations, I know they've lowered them in the proposed legislation, but it still is not a level playing field.

I think that it has been proven in the States through the Bernie Sanders campaign and Obama that if you have low donations, it's very easy to raise a lot of money. It's a lot of individual donations but it's not a bunch of rich corporations, like the Koch brothers, that are funding the PACs and super PACs in the States. That would be a concern.

Mr. Peter Z. Milczyn: What I've heard throughout your deputation this morning is a concern that reasonable rules be put in place that are effective and that can be reasonably enforced. It's not putting in place rules for the sake of putting rules in place but things that can actually be enforced reasonably. How do we balance having strong rules and some real enforcement with what might be deemed to be excessive regulation and potentially excessive costs on individuals, companies, unions and the public purse?

Ms. Sara Labelle: I don't know the answer to that question, to be honest with you, because I think that would be difficult to police. You could set limits, but without getting full disclosure of the full financials of every single organization in the province you're never going to be able to find out who gave to whom and who gave money to their employees or to their family members to then donate. It wouldn't necessarily mean that you couldn't have that rule in place; I just think it would be onerous and expensive to police.

Mr. Peter Z. Milczyn: The assumption is most organizations would follow the rules. It would be the case when it appears that somebody was breaking them that a complaint could be filed and then there would be the ability to really investigate and go through financials. That would be a reasonable thing, in your mind?

Ms. Sara Labelle: Yes.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Fife?

Ms. Catherine Fife: Thank you very much, Sara, for coming in. Your points around government advertising are one of our main concerns, obviously, with Bill 201. In budget 2015, there were changes made to the Government Advertising Act. The auditor described the changes as gutting the restrictions on partisan advertising and said that it would allow the government to run partisan ads. We've seen some examples of that recently around the climate change plan, for instance.

Earlier today, there was another delegation that spoke to the impact of government advertising from a censorship perspective and a negative impact around voter engagement because they're just inundated with these advertisements. Do you want to touch on that a little bit?

Ms. Sara Labelle: Yes, although I think I touched on it a bit in my presentation as well.

Ms. Catherine Fife: You did.

Ms. Sara Labelle: This should not be a one-sided conversation. There should be limits on the existing government, which will be using tax dollars to run partisan advertising on all of the issues that they will be campaigning on. They should not be able to do that leading up into an election.

I'll give you an example. The Ontario Health Coalition ran a very big public referendum on health care and got communities mobilized. The whole time that there was a small group of volunteers in about 40 communities in Ontario that were knocking on doors and getting votes and sitting at farmers' markets and engaging their community, the government was releasing ads and articles in the paper about all of the investments they had made in health care in the budget this year. Meanwhile, every single community in the province of Ontario is very well aware that those investments are not being seen in their communities because they are seeing closures to their local hospitals, cuts to services, transfers of services and even wholesale closure of hospitals.

Again, it's that one-sided piece where a small group of people with very little money are doing what they can to protect and stand up for their local communities while the government is spending thousands, hundreds of thousands and millions of dollars on advertising on the other side, saying how great they are doing in that portfolio.

Ms. Catherine Fife: I think that the health care example is a really good example for people because it affects their day-to-day lives, it is a huge issue and it's also the number one budget item in the province of Ontario. I appreciate that you brought that up.

The Chief Electoral Officer has recommended that that six-month period not be part of Bill 201. If that is removed and people can still weigh in and citizens' voices can still be heard—would that satisfy you as a citizen that that six-month period is removed, or is there still the imbalance between the voice of government versus the voices of citizens?

Ms. Sara Labelle: I think that there is still an imbalance, but if you limited the limits on third parties to be just during the writ period, it would obviously level the playing field significantly. If people, leading up to that writ period, were able to still speak to issues, it would level the playing field a bit more, rather than just having a one-sided argument for six months leading into an election.

Ms. Catherine Fife: I think the concern going forward is that any issue can be political, right? Especially these days, every issue can become political during an election. So that's our challenge as a committee: to ensure that we're finding the balance for those voices of citizens to be engaged in the electoral process going forward.

The issue of disclosure: I really appreciate the fact that you've said that disclosure has to be a part of this conversation as well. BC does have disclosure as part of their transparency framework around elections, so it can be done. It's important that you came here today and raised that issue. Thank you very much.

Ms. Sara Labelle: Thank you, Catherine.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Hillier.

Mr. Randy Hillier: Thank you, Sara, for being here today, and thanks for your presentation. A couple of things: It was nice to hear you say that the disclosure and

openness of contributions is something that you recognize is important. Transparency and openness should be what we strive for all the time in politics.

Your focus was on third-party advocacy, and that is important. You used a term: that you felt that you'd have one hand tied behind your back while government would be able to throw bucketsful of money around.

I think what this bill, Bill 201, and its genesis come down to is that there have always been rules in place—if not in fact but certainly in appearance, there was an abuse of the rules, and now we see Bill 201. What we're hoping to do is to put in enough constraints so that the rules will not be abused. I think it is important that we encourage and facilitate third-party advocacy, but not in a manner that gets abused and is little more than a disguised partisan advertising campaign.

I do want to ask you one thing. We've seen that a lot of this bill is a result of significant union and corporate donations at private fundraisers and with ministers and their stakeholders. I just want to get your view as a union member. Do you think that, if we get rid of those union and corporate donations, your union would be able to then dedicate more of its money to advocacy instead of into fundraisers—maybe not necessarily your specific union, but unions in general?

Ms. Sara Labelle: It wouldn't have much of an impact on my union, to be honest, because there isn't a lot being spent on that.

I think that corporate and union donations absolutely should be banned. It should not be happening. I also think that the limits that have been proposed right now should be lowered. If you want to level the playing field, it should not be the bigger pockets that can afford to give more. It should be \$30, \$40, \$50 or whatever, so that everybody could potentially be involved in the electoral process through a donation. It has been proven in the States, again, that millions of people donating \$30 will get you where you need to be, versus a small few donating thousands.

Mr. Randy Hillier: So going back here, on the disclosure of labour—paid or volunteer labour—should that appear as a contribution by the individual who was paid in doing that work for the campaign, or should that contribution be identified as from the corporation or from the organization?

Ms. Sara Labelle: I guess that depends if there are credits attached, like incentives, right? Usually under a personal donation, you would receive a tax credit, in which case if someone else—if you were working and getting paid, then you shouldn't benefit from a tax credit as well. You shouldn't be able to double dip.

Mr. Randy Hillier: Right. Thank you very much.

The Chair (Mr. Grant Crack): Okay. Thank you, Ms. Labelle, for coming before committee this morning. We appreciate your comments.

Ms. Sara Labelle: Thank you.

The Chair (Mr. Grant Crack): To the members of the committee and everyone, we are a bit ahead of schedule. Mr. McCann, who was scheduled for 11:05,

will not be able to make it this morning. As a result, we've asked Mr. Gerretsen if he would be able to come earlier and he has.

However, I would like to ask the committee, are you interested in a five-minute health break? We will recess for five minutes.

The committee recessed from 1102 to 1112.

MR. JOHN GERRETSEN

The Chair (Mr. Grant Crack): I'd like to call the committee back to order. We'll continue our presentations. We have the honour of having with us this morning a former minister holding many portfolios, the final one as the Attorney General for the province of Ontario. It gives me great pleasure to welcome Mr. John Gerretsen.

Sir, you have 20 minutes for your presentation, followed by up to 40 minutes of questioning. The floor is yours.

Mr. John Gerretsen: Well, thank you very much, Chair. It's good to see everyone, particularly the people that, of course, I served with for many years in the Legislature.

I understand that my presentation is about an hour and a half earlier, so being the good former mayor that I hope I was, I would encourage you, in the next hour and a half, once the presentation is finished, to visit our downtown and see our historic city hall, which was built during that short period of time when we were the capital of Canada. There are a lot of nice limestone public buildings and private homes that were all built in the 1840s. Tourism is one of our main attractions in the summer and we want your tourist dollars, so do not leave town right away and head on to Ottawa; please stay here for a while.

Let me welcome you to our city as well. I'm sure many of you have been here before, but it's always great to see a legislative committee come to Kingston. Let me thank you—I mean this quite seriously—on behalf of myself and maybe the people of this riding in Ontario for the work that you do on a day-to-day basis: the government side to give us good governance in this province, and on the opposition side to make sure there's great accountability in the system.

I had the honour and privilege of serving in public office for over 40 years. I got into it just by pure happenstance. I was a councillor for eight years, a mayor for eight years—which is still the best elected office to have in any community, including Kingston—and then I served in the Legislature for 19 years: eight years in opposition, when you know who your real friends are, and 11 years on the government side, when everybody is your friend unless they don't like what you're doing, and then they demonstrate in front of your office or at Queen's Park.

I think the system itself is extremely important and that each one of you plays an extremely important role in that.

You're dealing with an issue today that I feel very passionately about. Any staffer who has ever worked for

me, going right back to when I was in opposition, always knew what my motto was: Take the money out of politics. Take the money out of politics. If I ever write a book—I'm sort of putting some things together right now—that will certainly be a chapter, because whether it's in reality or in perception, there's always the feeling out there that those who contribute the most will get their way with government. Of course, if they're smart enough, they will also fund the opposition parties because they may be in government the next time around.

I don't have anything in a formal presentation—your Clerk asked me about this beforehand, and I do not have it. I just want to throw some random thoughts at you and maybe give you a little bit of my background.

When I first ran for council in 1972, I spent 200 bucks out of my own money for some leaflets and maybe one newspaper ad. When I ran for mayor in 1980 after eight years as councillor, I think we collected about \$4,000, and the election cost about \$8,000, and the other \$4,000 came out of my pocket. In the next election, I had a token university student as a candidate in 1982, and I think it was the other way around. We still spent \$8,000 and I probably collected \$12,000, so I was even again with what I had over-expended out of my own pocket in 1980. I ran provincially in 1995 after having been out of government voluntarily. I didn't run for mayor again in 1988. After eight years, my wife said, "That's enough. We've got three teenage kids. I need you at home."

I was fortunate enough during that period of time to be chair of the Ontario Housing Corp., which of course in those days ran the public housing stock in the province of Ontario, which was on a part-time basis, which was a great, great—I'd always been interested in affordable housing. I've done some projects here in town. We set up a municipal non-profit during my time as mayor and what have you. So I was somewhat involved, particularly with the Ministry of Housing, during that period of time.

Then I was somehow sucked back into the system again, in 1995, in an election that the Liberals couldn't lose, under Lyn McLeod, but as everybody knows, of course, we did, to Mike Harris. I was the only Liberal elected between Ottawa and Toronto during that election period of time. I always attributed it to the fact that I had been out of local politics long enough that people had forgotten the bad stuff and only remembered the good stuff.

I hate fundraising. I have never been shy about asking people for their personal support. I will ask them for their vote any day of the week, but I do not like raising money. This was well known around Queen's Park, both when I was in opposition and in government, because there are obligations there, even if they are only perceived obligations. I don't care whether it's on the corporate side or the union side. So I am a great believer in the public financing of our electoral system.

I don't know what your budget is nowadays in the province—about \$150 billion, I think, a year. We get so caught up in the minutiae—not that these numbers aren't real and they don't mean an awful lot to people etc., but

when you look at what we're really looking at in the totality of things, it's quite small. Now, I realize that you need money to run an election campaign, to get your message out, whether you're in government or in opposition. It has been like that since time immemorial. When I say, "Take the money out of politics," I know that that's a very idealistic comment and it isn't very realistic.

So the real issue is, where does that money come from? Does it come from the private sector? Does it come from organizations? Does it come from all of these associations that you're all dealing with on a day-to-day basis, that are lobbying you on a day-to-day basis about a position and this, that and the other thing? Whether they're teachers, they're nurses or they're construction workers, you can go through a whole gamut of all the people that you meet with, and they usually meet on an association basis, particularly at Queen's Park, not so much on an individual basis, from my experience anyway. So where does that money come from? The more of the money that comes from the private sector, whether it's through associations, whether it's individuals or whether it's through corporations or unions etc., the more it's going to influence the decisions that are being made.

Now, I know somebody will probably ask you, "Have you ever been influenced by it?" I don't know. Nobody ever directly came up to me at any time and said, "Our association or this organization will give you X number of dollars if you change that law or regulation." It doesn't work that way, we all know that, because that would be too blatant and that would become well known out there and it simply wouldn't wash. But you know, there are perceptions there.

1120

When I first became a cabinet minister in 2003, I can remember a meeting—and I'm not going to give you any cabinet confidentialities, okay? But there was a meeting with our chief fundraisers. All of the parties here have chief fundraisers. They only have one obligation, and that's to raise as much money as possible for your party so that you can fight the next election or get your message out between elections. That's their job. So they put pressure on the people who they think can get them that money, whether you're in cabinet or whether you're a backbencher or what have you. That's how it's done. It ain't rocket science. You need money to run the election campaigns, and the question is, where does it come from?

I've always firmly believed that the public purse should fund elections to the greatest extent possible. I've read your legislation and all the various formulas and things like that, and I realize it's about \$2 a vote. And then of course you get into, "Well, should the parties that get the most votes get the most money?" Obviously, there has to be some sort of a trade-off there. The Green Party and the other parties in Ontario should be funded as well, and maybe there's some sort of a ceiling level or a lower ceiling level that you fund them at so that they can get their message out as well.

I can tell you, no matter what legislation you're going to come up with, the financial spin doctors in each one of

your parties—and I mean each one of your parties—are going to try to come up with ways as to how to circumvent that or how to find the loopholes. It's just the reality of the situation.

Before I go any further, let me just make it absolutely certain, particularly to the opposition members, that I support the government in this effort. Does it go far enough? I don't know. I support the government in general. I think the Premier, our Premier, is doing a fantastic job. I'll just get that on the record. I've got a great respect there for the NDP. I think they've got some great ideas as time goes along, and my friends from the Conservative Party as well. But I'm a supporter of this government, as I have been over the last 20 years or so.

I know how widely I've got into this situation. The suggestion that was made to me, I think, when I was first Minister of Municipal Affairs and Housing, was, "Can you raise about \$20,000?" Of course, I never raised, except for once—I tried a fundraiser here for the provincial party and it didn't go all that far. I've always tried to raise it in Toronto, because in Toronto a fundraiser is totally different than any you have in your own local riding. In your local riding, you basically get people who believe in you. Yes, they believe in your party as well, but they believe in you. You know as well as I do that at the fundraisers in Toronto you get the lobbyists. One day they're at the red event, the next day at the blue event, and the next day at the orange event.

I always used to get a great kick out of these great, big dinners that we had. You'd look around and the same people who were there were also at the Tory events, and probably many of them at the NDP events as well. The lukewarm applause that people used to give—it's not the kind of applause you'd get locally, when you're there with your own supporters who really want to contribute to that.

I realize it's idealistic, what I'm talking about, but the only way we get there is by making more and more of the public funds available for political parties to get their message out. Now, what that is finally going to look like, I don't know, but please remember the smaller parties as well. Maybe you do it on a percentage basis across the province, as to how they got the vote, not just on a riding-by-riding basis. Let me tell you, it's a lot easier for the governing parties, whether they're the NDP back in the early 1990s, or the Harris-Eves days, and of course now the McGuinty-Wynne days, to raise money than when you're in opposition, although most organizations and individuals are smart enough to maybe give some money to the opposition as well, just in case they form the next government.

Now, I know there is a credit system that is widely available for people who make donations. I think the problem with that is that people make a donation today but they don't really see the effect of that until they file their taxes next April. No matter what you can say—"Give me \$100 at a little fundraiser etc. and you get \$75," or whatever the amount by way of a tax break, a tax credit—it doesn't sound real. There's no immediacy

to it. The system is being subsidized to a large extent even by private donations or by corporate donations right now, particularly the private, individual donations, because people do get tax credits. We kind of forget about that. That was a good attempt in its day, when it started, but it hasn't gone far enough.

There are a couple of other issues that I want to just briefly talk about that may or may not be part of this bill that you're talking about, and that's the obligation of a riding association. I'm sure that it's the same in all parties. If you want to be a candidate, the first thing you do when you sign your candidate papers is you sign over whatever relief you're going to get from the electoral office later on, whereby half of the money goes back to the central party organization. I think that is wrong. I don't care whether it's the Liberals, the Conservatives or the NDP that does it; I think that the money that goes back to a riding association as a result of election results etc., should stay with that riding association.

Similar—and I don't know how many parties are actually doing it—is the notion of transferring money out of your global budgets that you've got left over to the leaders' offices. And don't tell me it isn't done; it is done. Each and every party does it, and it's wrong, as far as I'm concerned. If you run a frugal office and you pay your staff well but you still run a frugal office, you as an individual member should get credit for that. Whatever money you've got left over at the end of the year shouldn't be transferred to the central office. That's done; don't tell me it's not. I know it's done because I've talked to enough of you off the record for doing that.

Third-party advertising—I heard the earlier presentation. You've got to be very careful with that. Sure, there should be limits on it. I agreed with the earlier presentation that even individual limits of \$1,500—or twice \$1,500 to two separate ridings—is way too high. I guess my main argument with you is: If we truly want public policy decisions to be made for the right reasons, limit the amount of private money—whether it comes from unions, whether it comes from corporations, whether it comes from the associations—I guess they're included in here as well. The teachers' association, the nursing association, what have you—I believe that that's included. Maybe somebody can correct me if I'm wrong. Make sure that that is limited to the greatest extent possible.

We're on the right track. We all know why we got here. When I was Attorney General, I think I was asked to raise \$50,000 in my last year. I don't know whether I ever did it or not; I just let my staff look after it. They'd make calls from the Liberal offices on St. Mary Street to get people to—not local fundraising; I think locally I only had about four of five fundraisers during the entire period of time—maybe a few more; maybe half a dozen during my 19 years. What I used to do, quite frankly, is send a begging letter around December 1 to tell people what their tax advantages were if they donated before the end of the year. That usually raised me enough money that saw the association carry out its obligations or its stuff over the next year or so.

I'll just leave it at that. I'll be willing to answer any questions at all. I have no axe to grind with anybody on this issue. I support the government fully in its effort to do something about it. Whether or not this doesn't go far enough is, I guess, for you to determine after you've listened to everybody—and to get the great advice that you get from the various ministries that may be involved in this.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Gerretsen. Ms. Fife, are you interested in going first?

Ms. Catherine Fife: Yes. Thank you very much.

Why don't you tell us what you really think?

Mr. John Gerretsen: My views were well known within cabinet and within caucus.

Ms. Catherine Fife: No one has ever accused you of not being candid.

This is an opportunity to craft a piece of legislation and make it stronger. We look at Bill 201 and we see gaps. Some of those have been articulated around the accountability perspective—and transparency, quite honestly.

You referenced the fact that you were a cabinet minister. If this legislation had been in place in 2014, potentially the items in the budget would have been off limits because they obviously would have been tied to a party position. As a former cabinet minister, should there be limitations to public critique on budget items? I'm referencing the piece on the six months prior to the election.

1130

Conceivably, for instance—this year, we had a very early budget. If this happens in 2018, we're going to have an election in the spring. The budget would potentially be considered political, and so people would not be able to weigh in on a political issue; in this instance, it would be the budget.

The electoral officer has already said that that six-month period prior to the election should not apply to civic voices, to citizens. Do you share that concern, Mr. Gerretsen?

Mr. John Gerretsen: Okay, just so I understand it correctly: The legislation—and I just thumbed through it over the weekend, okay?—currently provides, according to what you're saying, that for the six months immediately prior to an election, what cannot occur?

Ms. Catherine Fife: Third parties and citizens can't—there are strict limits on what they can advocate for around issues, and issues often are political. So the electoral officer has said that he recommends that the definition of political advertising proposed in the bill apply only during the writ period. In other words, it would not apply to the six months preceding the call of a scheduled general election, which we do know is a certain period.

My point to you is that, conceivably, the budget would be captured in that. I'm asking you: Do you share the concern of the electoral officer of Ontario?

Mr. John Gerretsen: Yes, I do.

Ms. Catherine Fife: Thank you very much. I wanted to touch on, because you give a unique perspective—

Mr. John Gerretsen: But you know—

Ms. Catherine Fife: Sorry; I'm just on to my next piece. There's a culture shift, because you described a quota of, say, \$50,000, I think you said, that you were asked to raise. The Minister of Energy just this last spring revealed that his quota was \$800,000. Did you see a significant shift in the ask of the party in your time at Queen's Park?

Mr. John Gerretsen: Not in my time at Queen's Park. I guess I was surprised by some of the numbers that I heard earlier this spring, and that's why I went public on it on a number of—The Current, I think, and As It Happens and various other organizations that phoned me. I said, "Yes, I was surprised at it."

Look, the fundraisers in each party want to raise as much money as possible to get enough money in the kitty so that they can get their word out. That's their job. If they think that certain ministers can raise more money than other ministers, they will try to do that. But that is no different than during the Harris days. I can remember during the Harris days that there was a great big kerfuffle one time when, basically, out of a minister's office—I think it was the Minister of Agriculture, emails were sent out asking people to come to a certain fundraiser. I think the minister almost had to resign. That shouldn't happen.

Ms. Catherine Fife: There has to be a separation between the work of an MPP and then the political side of it around the riding association.

Mr. John Gerretsen: Absolutely. I totally agree with that.

Ms. Catherine Fife: I appreciate the fact that you feel strongly about getting big money out of politics. As you said, this has historically been your position. But Bill 201 has a new donation cap of \$7,750 in an election year. That's a huge amount of money. As you've heard, the current limit is closer to \$9,000, so they've lowered it somewhat. But there's still the ability—I consider \$7,750 to be a lot of money. Do you think that limit should be lowered?

Mr. John Gerretsen: I'm assuming, for what I'm going to say, that what you're telling me is correct, that it has gone from \$9,000 to \$7,500. If that is so, that's too high. That's all I will say. Don't put words in my mouth—if that is so. If I hear from somebody else that it really isn't \$7,500, then that's—I thought that the current limit is much higher than that, because can individuals not give to any riding association they want? If they do that—how many ridings do we have—108 ridings? I may be wrong on that.

Ms. Catherine Fife: We have 107 ridings.

Mr. John Gerretsen: A hundred and seven.

Ms. Catherine Fife: But your point is that if the current donation cap is \$7,750, that's still too high.

Mr. John Gerretsen: I think it is.

Ms. Catherine Fife: I think so as well.

The government advertising piece: I appreciate the fact that you have this history at Queen's Park. You

ended your career on the government side of the House. The Auditor General said that in 2015, the changes to the Government Advertising Act, which allow for greater partisanship, gutted that act. Do you have any concerns about governments using—

Mr. John Gerretsen: I'm not familiar with the changes that were made in 2015, but what I am familiar with is that when that act first came into existence a number of years ago, I believe all ads had to be approved by somebody—is it the Auditor General?

Ms. Catherine Fife: It was the Auditor General.

Mr. John Gerretsen: It was the Auditor General?

Ms. Catherine Fife: Yes.

Mr. John Gerretsen: I think it's the right way to go—by somebody. If the Auditor General is not the appropriate person, it should be somebody. The government has the right to advertise the new programs that are out there so that the general public knows what's available for them now that wasn't there before.

Ms. Catherine Fife: Do you think the government has the right to advertise an act, a piece of legislation or a plan that hasn't been released to the public yet, as they did with the climate action plan?

Mr. John Gerretsen: I'm not going to make any comments on that because I'm not familiar with what you're talking about.

Ms. Catherine Fife: Okay. Do you think that—for instance, when the government spent \$600,000 advertising the ORPP during the last federal election, the auditor said that she would have ruled that to be too partisan.

Mr. John Gerretsen: Well, the Auditor General has her own opinion and she's obviously reflected on it, so I think that speaks for itself.

Ms. Catherine Fife: You still know how to answer a question, Mr. Gerretsen.

Mr. John Gerretsen: Well, no. I know what this is all about. You're all trying to get me to say something that will be used in Hansard at some point in time or on the legislative floor. Look, I've been there. I know that. I'm just here to tell you what I think should happen. Now, if you come up with individual situations, half of which I'm not familiar with—remember, although I do watch question period from time to time, usually when I'm doing some other work etc. I know. My wife doesn't think I have a life. Then, of course, with my son being a federal politician, I have to watch him in the afternoon as well, or at least his government. I also think he's doing a great job.

Ms. Catherine Fife: I just want to say I appreciate your perspective and I appreciate the fact that you have said that the current donation level is too high.

Mr. John Gerretsen: Yes.

Ms. Catherine Fife: And that's not a gotcha moment. That's just the fact. Thank you very much, Mr. Gerretsen.

Mr. John Gerretsen: Thank you very much, Ms. Fife.

The Chair (Mr. Grant Crack): We'll go to Mr. Fraser.

Mr. John Fraser: John, thank you very much for being here today and for your candour. It has never changed. I think I've probably known you for about 15 or 16 years. I really appreciate what you have to say in terms of trying to take as much private money out of political fundraising as possible. I do think, just from my perspective, that there is a role in terms of people participating in that way. How you actually make those influences equal so you can hear all those voices I think is really key, so that all those voices are heard there.

As we're moving toward limiting those contributions and making them more equal, when we're looking at third-party advertising, as we just talked about a little while ago—the risk is, when you limit on the political side the individual contributions, that the actual influence of those contributions will transfer themselves to third parties. So if you don't put some sort of restriction or limitation on those, you run the risk of—as you were saying before—maybe the fundraisers will be focusing on support that's not directly accountable in the public domain. I guess that's what my question is.

The other question is about the restrictions in advance of the election period—pre-writ, I should say—on third-party advertising, any other comments you have on third-party advertising. I guess the question is, would you agree that there is a risk, if you limit the contributions on the political side, that if you do put some restriction or limitation on the third-party side, you're just going to get displacement?

Mr. John Gerretsen: First of all, we live in a democracy and the first going-in principle is that everybody should have a right to say, whether you're an individual or an organization. The whole notion of limiting something kind of goes against the inherent democratic principle. Having said that, I think it is important that we level the playing field. In the same way that government advertising goes through an approval process, perhaps third-party advertising should go through exactly the same process. Hopefully, the people who are ahead of this process—whether it's the Auditor General or whatever that individual or individuals are called—you'll rely on them to use their best judgement that, yes, both the pro side and the anti side on an issue can be presented in an equal fashion. That's really what it's all about.

1140

As far as fundraising limits are concerned: Look, we all know there's a big difference between you holding a local fundraiser and the little old lady down the street, who has known you for 50 years, wanting to give you \$100 toward a fundraiser. She believes in you as a person and maybe she's a Liberal too. I don't know. But that's totally different than the kind of situation that Ms. Fife was talking about, where the limits can be X number of dollars to all sorts of different organizations.

I think that we really have to watch for the third-party advertising and I know that the bill kind of tries to address that. How many different organizations can you create that basically have the same point of view, but they all have a slightly different name, a slightly different

membership etc.? There will be spin doctors around in each one of your parties who will come up with these notions as to how you can maybe not circumvent, but find the loopholes in the system, or how we can create more organizations.

Maybe the best way to do it is that for any kind of government or third-party advertising, it has to go through the same mechanism of being approved by an approval body. You love that when you're in opposition and you hate it when you're in government.

We were all in favour, when we were in opposition, of setting up all of these legislative officers etc. Many of my colleagues in cabinet didn't particularly care for them. I was environment minister for a while and—what was his name?—Gord Miller was the environmental officer. I used to tell him, “Gord, you've got to give me the toughest reports possible, so that I could convince cabinet to do this, that or the other thing.”

The man was shocked. He said, “Jeez, I've never heard this. Most of you, the former environment ministers, didn't like me very much because they always thought that I was criticizing what was happening in their ministry.”

I said, “Well, look, if we really want to change the world, we have to get the message out there. You, as an independent third person, carry a much stronger weight within the partisan world that we live in on a lot of issues than I ever would as minister.” We had a great relationship.

Did I answer your question or not?

Mr. John Fraser: Yes, you did. As a bit of a preamble to the next question, I do think that participation by individuals making a small financial contribution is actually critical to the process because it's a commitment that people make, as you say, in your ridings. As it has been said, I think, by members across here, a whole whack of \$100, \$50 or \$30 donations means a lot.

But I want to go back to provisions in the bill that deal with leadership. I know that you ran for leader—

Mr. John Gerretsen: Worst mistake I've ever made there, John. Worst mistake ever.

Mr. John Fraser: I don't know—

Mr. John Gerretsen: I didn't know enough people. But the right guy won, by the way.

Mr. John Fraser: I don't know. I'm actually pretty glad that you did, as one of those series of small events that put you somewhere.

What do you think about the provisions in the bill around leadership? Did you have a chance to take a look at them? Do you think, given your experience—not just in your own leadership campaign, but just viewing it—whether we should apply credits or limits?

Mr. John Gerretsen: When I hear some of the numbers being bandied about as to what it costs to run for leader right now, particularly with Mr. Brown just recently, it just boggles the mind. I think that when I ran for leader, we spent 100,000 bucks, and about \$20,000 of that came out of my own pocket. That was probably in the Stone Age, in 1996. But when I hear about the

millions that they're talking about, I can't relate to that, you know?

Let me just tell you: I can remember when Dalton was in opposition. He went through some pretty rough times and the party was running out of money. He or somebody on his behalf would have to call the banks etc. to lend us some more money or whatever the situation was. I used to think, "Okay. We all think we're pure and everybody thinks they're pure, but the next time something comes up with the banking industry and you're in government, are you going to be influenced by the way you were treated when you were in opposition etc.?" I don't know. I'm not saying that there was. I've never seen anything untoward in that regard at all when I was in government. But then, of course, I only saw my limited involvement in it etc. They knew my position on fundraising quite well, so maybe they stayed away from me for that reason. I don't know. But, you know, it's not right: Government and opposition have the right to get their message out. How we get that costs money, whether it's in an election campaign or not. How is that funded? You could fund it privately or through corporations or unions—whatever—or you can do it publicly. What I'm saying is: Please put as much money into it publicly as you possibly can, and spread it out evenly amongst all the various parties, including the little parties that hardly exist right now, on some sort of basis, by having a ceiling etc. How you do it, we'll leave to legislative counsel and to other people to work out the parameters.

The way I understand the way the bill is set up right now as well is that the public money, in effect, over a period of time, is going to be less. Am I right in that?

Ms. Ann Hoggarth: Yes.

Mr. John Gerretsen: Is that just a way in which the bill could be sold a little bit better? Maybe. I'm not sure. I don't understand that. You either believe in publicly funded political systems or you don't. Why are we trying to limit that over a period of time? I haven't read the bill in detail, so don't quote me on this in any other setting, but if my assessment of that is right, you're just asking for trouble again five or six years down the road.

Mr. John Fraser: Just as a matter of pointing, the bill reduces it by 75% in five years—in the fifth year, right?

Mr. Randy Hillier: Yes.

Mr. John Fraser: In the fifth year, and then a review. So it doesn't necessarily eliminate that.

Mr. John Gerretsen: Reducing it by 75% is quite substantial.

The Chair (Mr. Grant Crack): Mr. Rinaldi.

Mr. Lou Rinaldi: John, it's good to see you again.

Mr. John Gerretsen: The best mayor Northumberland county ever had. Brighton area was so lucky to have you as mayor, Lou.

Mr. Lou Rinaldi: It still is the best place in the province.

Mr. John Gerretsen: And it's a tough place now, Queen's Park: Look what they've done to you.

Mr. Lou Rinaldi: That's right. That's my new ammunition.

Anyway, John, just a comment—I know you touched a little bit on it, but I want your advice. The legislation we have in front of us here tends to be our federal election finances legislation, to the most extent. I know you touched on the piece of leadership races and the cost. You were somewhat involved in Prime Minister Trudeau's leadership race, and I believe you were involved in a fundraiser locally. Those limits that are in place federally and we're talking about provincially: Is it something you'd want to see changed, or is it something you could live with?

Mr. John Gerretsen: Actually, I was never involved in the Prime Minister's fundraiser. My son was, when I was out of town in Arizona for a week playing golf. He made the comment in our house that the last time he had such a crowd of 70 or 80 people was when he was 16 years old and his father wasn't present either. I was never involved. This is well before he became leader etc. They had a fundraiser. I think it was 75 bucks: "Meet the third-party candidate" or what have you. I think he was running for leader then.

I've never been involved on the federal side, although I do give Prime Minister Chrétien a lot of credit for doing away with major fundraisers many years ago. The way I understand, that has been diluted during the latter part of the Harper years, but I think he was on the right track by putting more public funding into the political party system.

Mr. Lou Rinaldi: Thanks, John.

The Chair (Mr. Grant Crack): Okay, we'll go over to my friends on the left. Mr. Clark.

Mr. John Gerretsen: Are they the friends on the left?

The Chair (Mr. Grant Crack): My left.

Mr. Steve Clark: Whatever. Anyway, John, I just want to thank you for your candid comments today. I think your public comments in the media really led to Bill 201. I firmly believe that if you and others hadn't come forward, there wouldn't have been changes. It would have been business as usual. So I think we should thank you for being so vocal, just like you acknowledge that you were vocal when you were a member.

I do think we would like to get some of your thoughts on the record. I know that other members have asked you about the advertising side of things. In Manitoba, they just finished a provincial election. They've banned advertising under certain sections for a 90-day period prior to elections. They allow emergency advertisements if there was something that risked the province's health or well-being. If there were tenders or if there were employment advertisements, obviously those continued. But they had that mechanism in place that was complaint-driven. It wasn't their Auditor General. In their case, under their new bill, it was their election commissioner, as I think they call the person out in Manitoba.

1150

But I don't care whether it was Mike Harris or Stephen Harper or Dalton McGuinty or Kathleen Wynne: We had a system in place that I don't think anyone was arguing about. It was a surprise to me when the govern-

ment changed the rules. It was obviously disappointing to the Auditor General. I sat in on her press conference where she expressed her concern.

So I do think this bill needs to have that discussion at first reading, and I hope at second reading as well.

I just want you to reiterate: You support having some person, whether it be the Auditor General or the Chief Electoral Officer, to be able to deal with complaints based on advertising. But do you not also agree that there should be a more comprehensive bill included in this to get the politics out of advertising, whoever it is? It should strictly be that the government should not be able to influence the election because of their advertising, no matter which party.

Mr. John Gerretsen: During the election period?

Mr. Steve Clark: Correct, or leading up to it. In Manitoba, it's 90 days. Some people have suggested six months. I think there needs to be something.

Mr. John Gerretsen: Well, I haven't studied that, but it sounds to me like, logically, without going into details of that—Mr. Clark and I have known each other for a long time. As a matter of fact, when I first got to know him, I was mayor of the city and he was an unemployed cartoonist being mayor of Brockville. I think it was 1985. He had hair then, believe it or not.

Mr. Steve Clark: It was 1982 and I had a long Afro.

Mr. John Gerretsen: The hair went down to his shoulders.

Mr. Steve Clark: That's right; it did.

Mr. John Gerretsen: We've been colleagues, even though on the other side of the political fence, and neighbours for a long period of time.

I kind of get the impression you're trying to put some words into my mouth that you may want to use later on. I'm not sure about that.

Look, what I basically want to say is that if there are rules in place that prevent some sort of third-party advertising for a certain period of time before an election, that should apply to the government as well. That seems to me, from where I sit, a fair thing.

I also don't think there is anything wrong in a government advertising new programs, new ways of doing things, and encouraging people to maybe follow whatever the new rules and regulations are. Some people might say that's sort of a partisan thing. I do not think so. I think there's a difference between a partisan political ad and a government ad clearly stating what a new program is all about. That's the reality of the situation.

I'm not familiar with the Manitoba regulations, but if what you're saying is that basically most of that should stop 90 days before an election campaign, I have no problem with that. I support that.

Mr. Steve Clark: The other question that sort of started us off today was with a presenter, and I had asked him about paid employees who would work on a campaign. So my question is around a corporation, a lobby firm or a union—it doesn't matter. If they placed people in a campaign office for a period of time and they were paid by that company, by that lobby firm or by the union

or association, should that donation—I consider it a donation; you might not. I believe that that should be recorded and should be treated the exact same way as just a cheque that would be cut to the riding association. Some disagree, so I'd love to hear your candid comments.

Mr. John Gerretsen: I don't have any comment with respect to the province-wide campaigns. I was involved in 12 campaigns myself. I was fortunate enough to win every one of them. We never paid somebody who worked in my campaign as far as I am aware. I'm quite sure that nobody was ever paid, because it would have caused a heck of a lot of problems with the unpaid people, I can tell you.

What happens at the province-wide level, I'm not so sure. When you ask somebody to be involved for, let's say, three months in the lead-up to a campaign and that person works for the party, whichever party it is, for a three-month period of time, is that a donation to the election campaign? I'm not sure about that. I can see what you're driving at. I'm not sure whether that is accounted for right now. I know there are many union leaders that have worked in NDP campaigns. There are many other people that have worked in Conservative and Liberal campaigns etc. Some of them, obviously, are paid. I don't know how you separate that out and, since those people are being paid by the party, whether or not that should count as part of the election expense. I'm not familiar with that.

Mr. Steve Clark: But I guess the concept is, if we're to use your opening words, "You need to take the big money out of politics," you certainly don't want to have a law that has a loophole that allows the big money to stay in; only, instead of having it as a donation, it's a body in an office.

Mr. John Gerretsen: Look, as I mentioned before, each one of the parties—particularly the financial folks—as soon as this law gets passed, will immediately have little conclaves, which will meet with other people and find: "Where can we find a loophole or how we can still do this, that or the other thing?"

What you're saying makes sense. I think there's a difference between somebody working in the back office, coming up with some strategy about something, and actually putting an ad out there saying, "We're good and the other guys are bad," sort of thing. I'll just leave it at that.

Mr. Steve Clark: I'm going to defer to Mr. Hillier, but I do want to thank you. We've been friends for a long time. Mr. Chair, I spoke at Mayor Gerretsen's retirement party and at MPP Gerretsen's retirement party. I'm glad he's enjoying his good life.

Mr. John Gerretsen: The Tories in my association made sure that you had a speaking opportunity, and I said, "Well, why not?"

Mr. Randy Hillier: Thank you very much, John, for being here and for your candour and frankness. I also wanted to say that it has been a pleasure to hear some of your other thoughts on subjects that aren't included in the

bill. That's, I think, important for those statements that you've made out there about money going to central parties, global budgets and different things.

Mr. John Gerretsen: Does that happen in the Conservative Party still?

Mr. Randy Hillier: Do you know what? I've never been in cabinet, so I can't—

Mr. John Gerretsen: No, I'm talking about the way you run your party operation.

Mr. Randy Hillier: How things are run—I think it's important that you brought up these different matters. Hopefully we'll be able to discuss them and address some of them as well. So thanks for that.

You used the term that it's never a blatant request for policy that comes with the fundraiser or whatnot, but you also said that there is some pressure, and it's natural. Did you notice any difference in evolution in your time in provincial politics? Did the pressure become more overt or did it become more recognizable?

Mr. John Gerretsen: I don't know what pressure you're talking about. It's totally different being in opposition than in government, from that viewpoint. No, I think that—

Mr. Randy Hillier: I guess where I'm going there is that you mentioned that there would be all the conclaves happening shortly after this bill—and I don't disagree—but those conclaves would have been going on at all times.

Mr. John Gerretsen: If a party wants to put out its position, whether it's during an election or before an election or in between elections, it needs money to get that message out, folks. The question is: How do we pay for that? The more that comes out of the public purse, the less likely there's going to be undue influence by the private or corporate or union or association contributors to that. That is really the sole point that I'm trying to make.

1200

Did some people get quicker access because they happened to be at my fundraiser? You'd have to talk to my staff about that. I usually didn't arrange for that. Did it make a difference on a particular policy matter because you got money from association A? I can categorically say, as far as I'm concerned, it did not. Did it affect other people, both when the Liberals were in power or the Conservatives were in power? You'd have to ask them; I don't know. But the perception is certainly there that if you give money to a particular government, you may have quicker access, and the general public, particularly in some of the numbers that have been raised here earlier, may get the impression that some people get preferential treatment with having their issue at least heard or debated.

During my 11 years in government, from where I sat at the cabinet table and at the various cabinet committee tables, I cannot tell you that I ever felt that a decision was made because of money that came from one particular source or another. I can honestly tell you that.

Mr. Randy Hillier: In your presentation, John, and in the discussions, you really made a distinction between Toronto fundraisers and local fundraisers. For any of us who are involved in politics, I think we know that there is a distinction, and it needs to be emphasized.

Just about your comments that Bill 201 really alters things at the local level for candidates in ridings and puts them under the same scrutiny and the same thresholds that they're not presently involved with—I don't know if you've looked at that element of the bill. If you have, do you think that the John Gerretsen of 20 years ago running for the Liberal nomination in Kingston should be under the same set of rules as John Gerretsen, Minister of the Environment?

Mr. John Gerretsen: I was very fortunate. I was acclaimed in 1995, but the previous candidate who had won here in 1985, a wonderful individual, Ken Keyes, who was the member for four years and then was defeated by an NDPer, was persuaded by other people not to run for the nomination. I was nominated, I believe, in late April as one of the last people to be nominated, and the election was in the first part in June. So I didn't spend any money. I think I signed up two people: my parents, if I remember correctly.

Mr. Randy Hillier: Regardless of your personal specifics—

Mr. John Gerretsen: Local fundraisers are totally different. They are people who believe in you. Yes, there are some people who have been long-time Liberal members. I don't know what you charge nowadays. I never charged more than \$150 because we couldn't get any more. Lou Rinaldi came to many spaghetti dinners that were probably about \$25 or \$30, and we raised maybe \$4,000 or \$5,000 a shot in those days. That's totally different from the Toronto fundraiser, where most of the people that come are primarily lobbyists from different organizations, particularly if you're a minister, that have something to do with your ministry in one way or another. I basically just let my staff look after that and they made their calls from St. Mary Street and people showed up. We probably never got more than 75 or 80 of them, and then that was it. I just left the money in Toronto. Central party would do with it what they want. Quite frankly, I never knew whether or not I met my quotas or suggested high quotas or not.

Mr. Randy Hillier: I assume that you did, because you stayed in cabinet all the time.

Mr. John Gerretsen: Well, you know—

Ms. Ann Hoggarth: Oh, that's below the belt.

Mr. Randy Hillier: I was being facetious a little bit.

Mr. John Gerretsen: I'll be honest with you. There was never, at any time when I was there, during the 11 years, a suggestion made by either the senior staff in the Premier's office, by any of the party people, by any of the other cabinet ministers, that I'd better raise the money or else I won't be in cabinet. That never, ever happened.

Mr. Randy Hillier: I want to apologize if that came across, in any fashion, John. I apologize for being flippanant.

Mr. John Gerretsen: No, that's fine.

Mr. Randy Hillier: It wasn't meant to be hurtful in any fashion.

Mr. John Gerretsen: Oh, I'm not hurt at all.

Mr. Randy Hillier: By the way, going back, Mr. Clark brought up the point about paid volunteers, and you gave some insights on that.

Just for clarification, if a lobbyist is providing paid volunteers on the campaign—you said you didn't have any paid volunteers on your campaigns, but just your personal view on this: If a lobbyist or whoever—a company or a union—brings paid volunteers into a campaign, do you think that ought to be disclosed?

Mr. John Gerretsen: Well, there's a difference between it being disclosed and being a charge against a campaign, I suppose. I really haven't given that any thought at all. I think probably all parties are doing it now at the provincial level to some extent. I'm not sure what's happening at the local level in a lot of the campaigns; certainly not in eastern Ontario, that I'm aware of, are people getting actively paid, but they probably have been over time. You get a good campaign manager and you pay that person for two or three months before an election campaign. I really haven't given any thought as to how that should be accounted for in the overall expenditures that you're allowed during that campaign. I really have no opinion on that.

The more rules and regulations we put into place, the tougher it gets. But you may have a good argument; I don't know. I'll have to think about that.

Mr. Randy Hillier: We've heard of different jurisdictions that require disclosure of—

Mr. John Gerretsen: Disclosure, I think, would be a good idea.

Mr. Randy Hillier: —of that name and the employer so that people can see what's going on.

Mr. John Gerretsen: That may be all right.

Mr. Randy Hillier: One final thing: We've also heard that in other jurisdictions—and this would be in large part limited under Bill 201—individuals who contribute to direct campaigns, political campaigns, are also limited or prevented for a period of time from receiving government contracts. Any thoughts on those sorts of limitations or restrictions?

Mr. John Gerretsen: So in other words, if a company in a riding were to contribute to a—

Mr. Randy Hillier: If I contributed \$7,000, then my company is prevented from getting a contract.

Mr. John Gerretsen: Well, that would certainly stop the donations to that individual candidate pretty quickly, I think. You may have a point there. But I would hope that for all of the contracts that are let out at the government level—and from what I've seen in all my years, they are on both sides of the political fence—it was always done according to strict rules and regulations set out by the Ontario government as to how procurement was done. The fact that one company may have given money to a candidate and not company B really shouldn't go into the consideration as to which company was going

to be chosen at all. Presumably, some sort of criteria are in place: the lowest amount of money for those services, provided they reach a certain standard.

I'm not sure whether you can put that kind of limitation on it, quite frankly, if and when—and I believe it to be the case that the government has some pretty good procurement rules and regulations in place that are watched over quite carefully by our excellent civil service.

Mr. Randy Hillier: One last question, John. I like your idea about that third-party advertising and finding some mechanism for vetting that that you threw out. You're a big proponent of public financing of the political process. We have heard comments, and people question the rationale or the merit of a per-vote subsidy. Most of the arguments centre on, "I received so many votes four years ago." The person voting may not think the same of that party or that person a year or two or three later.

Mr. John Gerretsen: Well, if you do it on a per-vote basis, then obviously the incumbent candidate has usually a greater advantage, because they get more money. That's why I suggested that you've got to come up with some sort of a middle ground, because I firmly believe that the Green Party has an awful lot to offer in Ontario as well and they probably should have two or three members in our Legislature.

1210

I've been a great proponent of proportional representation. I think when that came out in 2007, I was one of only three candidates—Smitherman and Bryant being the other two—who actively promoted proportional representation. It didn't go anywhere, but that's that. I firmly believe that the system we have in place right now, whereby 35% or 39% can get you a majority government, isn't the democratic way of doing it. Just because we've always done it that way, first past the post—there's got to be another system. It will be very interesting to see what's going to happen federally in that regard, by the way.

Mr. Randy Hillier: But have you given any further consideration about, if not on a per-vote basis, what would be the measuring stick, John?

Mr. John Gerretsen: I don't know. I will leave that to the Chief Electoral Officer, to legislative counsel and to the wisdom that is embedded in each and every one of you to come up with a system there, but it obviously has to be some sort of blended mix. In some ridings, where one particular candidate gets 65% of the vote, like what used to happen in Brockville at one time—not anymore—and the next candidate gets 25% of the vote, you can't give him the majority of the public financing money. He'll win anyway, but that's beside the point.

The Chair (Mr. Grant Crack): Thank you very much. Final question: Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you, Mr. Gerretsen. Again, I'd like to thank you publicly for helping us through our situation with Georgian College and the Laurentian situation. Thank you so much.

My question is about candidates and the money that they spend. Should there be a limit on the amount that candidates can spend on their own campaigns? For instance, if I have lots and lots of money, I can use as much money as I want or borrow as much money as I want, and somebody else is not able to use that amount of money. Should that be allowed?

Mr. John Gerretsen: Well, you know, that's a very interesting question. I suppose Donald Trump right now is financing his entire campaign, and look at the possible result down there.

It always reminds me of my 1982 election campaign when I ran against a civic activist who spent \$27 and she was going to become mayor and not charge a penny to the city. I used to say, "Well, you know, that means that only retired people or people who are extremely well-off could ever run to be mayor of this city," which of course isn't right.

But on the other hand, if a person wants to spend their own money—as I mentioned before, in 1980, when I ran for mayor, I was \$4,000 short at the end of my campaign. We'd spent \$8,000, and only \$4,000 had come in. Well, who is going to pay for it? I was. There weren't any rules and regulations in place at the time, and the next time around I kind of was able to pay myself back.

You have a limit in here right now. I'm not sure whether that's the right limit or not. I think a person should be able to spend their own resources to some extent, perhaps more than is the case right now. But you do not want a system where basically wealthy individuals or better-off individuals can in effect buy their own election. That doesn't sound right to me either.

So I don't know what the magic limit is there, but the average person would say, "Well, if you want to spend your own money, why shouldn't you be able to?" There's some relevance of truth to that until you look at the Donald Trump experience.

Ms. Ann Hoggarth: Thank you very much.

Mr. Grant Crack: Thank you very much, Mr. Gerretsen, for appearing before committee this morning.

Mr. John Gerretsen: Thank you very much, Mr. Chair, for giving me this opportunity. As a retired politician, it is helpful to the soul sometimes to be able to vent and get some of the things you've always felt strongly about out of your system.

Keep up the great work. I think you're on the right track with this kind of legislation. Obviously there are going to be amendments etc. I would really and truly hope that each and every one of you—and I know you're going to be influenced by your parties' positions; I understand all that—look at it from the point of view not

just of where you sit, whether it's on the government side or the opposition side. Just remember, every so often we do change governments here, and the position you may take now may not agree with the position on the other side.

Now, it used to be that every—well, except in Ontario, where the Tories were in power for 42 years. But if you look federally, it changes every 10 years or so, because people say, "We like the other guys better," or, "Throw the bums out" etc. So you may be just on the other side of the position.

Put a lot of independent thought into this, each and every one of you. Do not become totally beholden—and I say this to all three parties—to whatever the leader's office wants in this regard, or all the wise individuals who are there. If you have a good idea as to how this can be improved, fight for it.

I really wish you well in this effort. Keep up the great work on both sides of the House. Thank you very much.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Gerretsen. We appreciate having you come before committee this morning.

Mr. Randy Hillier: Chair?

The Chair (Mr. Grant Crack): Sorry?

Mr. Randy Hillier: I was going to put a motion.

The Chair (Mr. Grant Crack): You're putting a motion forward?

Mr. Randy Hillier: Yes. Just a request.

The Chair (Mr. Grant Crack): Okay. Mr. Hillier has a request.

Mr. Randy Hillier: If the committee would invite the Integrity Commissioner and the Auditor General to attend committee hearings when they're available.

The Chair (Mr. Grant Crack): We can certainly send the invite. I don't see an issue with that. Is that an issue? Okay, we will, through the Clerk's office, send invites to both commissioners, as you've requested.

Mr. Randy Hillier: Thank you.

The Chair (Mr. Grant Crack): Having said that, I do have an announcement after we adjourn, but I will do my official stuff right now. I'd like to thank Hansard for all the work that you all did, coming here and setting this up—off to Ottawa very shortly. I would also like to thank the translation services for their hard work that they've done today.

It's great to have with us the Chief Electoral Officer, Mr. Essensa; and legislative research, Mr. Parker; and, of course, Brad, sitting to my right.

At this point, I will adjourn this meeting until tomorrow at 9 a.m. in Ottawa.

The committee adjourned at 1217.

CONTENTS

Monday 27 June 2016

Election Finances Statute Law Amendment Act, 2016, Bill 201, Mr. Naqvi / Loi de 2016 modifiant des lois en ce qui concerne le financement électoral, projet de loi 201, M. Naqvi	G-1239
Mr. Joel Usher	G-1239
Mr. Matthew Gventer	G-1243
Ms. Dianne Dowling	G-1246
Ms. Sara Labelle	G-1249
Mr. John Gerretsen	G-1253

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Research Services



**Legislative Assembly
of Ontario**

First Session, 41st Parliament

**Assemblée législative
de l'Ontario**

Première session, 41^e législature

**Official Report
of Debates
(Hansard)**

Tuesday 28 June 2016

**Journal
des débats
(Hansard)**

Mardi 28 juin 2016

**Standing Committee on
General Government**

**Election Finances Statute Law
Amendment Act, 2016**

**Comité permanent des
affaires gouvernementales**

**Loi de 2016 modifiant des lois
en ce qui concerne
le financement électoral**

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Tuesday 28 June 2016

Mardi 28 juin 2016

The committee met at 0900 in the Ottawa Conference and Event Centre, Ottawa.

ELECTION FINANCES STATUTE LAW
AMENDMENT ACT, 2016LOI DE 2016 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LE FINANCEMENT ÉLECTORAL

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / *Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.*

The Chair (Mr. Grant Crack): It's 9 o'clock. Good morning, everyone. How is everyone today?

Interjections.

The Chair (Mr. Grant Crack): Good. I'd like to call the Standing Committee on General Government to order. This morning we're here to listen and hear from the public in public hearings with regard to Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007. We have five individuals who will come before committee. The first individual will have 20 minutes to make his presentation, followed by up to 40 minutes of comments and questions. The balance will be the 10-minute presentation, followed by 15 minutes.

MR. ALEX CULLEN

The Chair (Mr. Grant Crack): At this time it gives me great pleasure to welcome former city councillor and former MPP Mr. Alex Cullen. We welcome you, sir. You have up to 20 minutes for your presentation.

Mr. Alex Cullen: Thank you, Mr. Chairman, and thank you, members of committee. Many years ago I kissed the Blarney Stone, so I'm hoping to be able to fill the 20 minutes that you've allocated here. I'm just giving you fair warning.

Thank you for providing me with the opportunity to address you on Bill 201, the Election Finances Statute Law Amendment Act. I am a four-time candidate for the Ontario Legislature—1987, 1997, 1999 and 2015—achieving success in 1997 as a member of provincial Parliament for Ottawa West. Besides being a candidate, I have been a fundraiser, volunteer and campaign manager in a number of provincial elections in Ontario, and have

worked in many federal elections. As well, I'm a former school board trustee and city and regional councillor in Ottawa who has participated in every municipal election here since 1982, except for 1997 when I was elected to the Ontario Legislature. Of these 10 municipal campaigns, I was successful in seven. As you can imagine, I have a keen interest in the integrity of the election process.

Besides my personal experience, I have also examined in detail the campaign finances in three municipal elections here in the city of Ottawa: 2003, 2006 and 2010. These reports and analyses, gleaned from examining the public election financial statements of candidates in those elections, provide information that should be helpful in the consideration of this important legislation to improve our democratic process here in Ontario.

Earlier in your hearings, Mr. Chairman, you heard from the Chief Electoral Officer of Ontario, who quoted the Camp commission of 1972, which examined many of the issues that are before us today. Their goal, then, is applicable to us today; that is, to devise a set of rules that would "maintain a political system in which the various parties can function and campaign for public support freely and openly ... in an atmosphere above and beyond public doubt, suspicion or cynicism."

So let's follow the money. Money is said to be the lifeblood of politics. While the candidate, of course, is a crucial element in our election process—the name on the ballot that people can vote for—it is a huge challenge, as you know, for every candidate to try to meet people in a riding and knock on 40,000 doors or so in an election period. Money is needed to put up the signs to inform voters of who is running, to print the brochures to tell them what the candidate stands for, to rent the campaign space to organize volunteers, to provide the computers and phones and to buy the media that is necessary to promote the candidate's and, more often than not, the party's particular message in that election.

Therefore, the process of raising that money and spending it—so important to electoral success—clearly impacts on how well our democracy functions. If we are to believe in a fair electoral process where ideas and personalities can compete for votes on a level playing field, then ensuring effective regulation of the money aspect of politics is vital. This has been recognized by governments of all stripes in Ontario for the past 40 years in adopting and refining campaign finance legislation.

That brings us to the salient feature of this bill: the elimination of corporate and union contributions to Ontario's provincial candidates and parties. I strongly support this initiative for two reasons.

First, permitting corporations and unions to make political campaign contributions is undemocratic. While every individual voter is entitled to contribute to the candidate of their choice, allowing corporations and unions to do so creates an elite who can contribute twice by virtue of the corporations and unions they control. That is undemocratic.

Let me be more specific. The principle behind our democratic system is the equality of vote: one person, one vote. Consistent with that principle, individual voters are able to support candidates for elected office through contributions to their campaigns, as regulated by law. That principle is violated when some voters are able to use resources from organizations they control to support candidates and the parties they belong to, above and beyond their own personal resources.

This was recognized in 2003 when the Parliament of Canada was examining Bill C-24, the federal legislation that led to the prohibition of corporate and union contributions to federal candidates and parties. Thomas Kent, an expert witness from Queen's University who appeared before the parliamentary committee examining the bill, had this to say:

"Democracy means more than universal suffrage, one vote per person.... It means that everyone has the same freedom as the next person to promote the candidate or party or policy he or she likes. That democratic equality of opportunity is mocked—and I use 'mocked' deliberately—if organizations can fund parties and candidates. We then have a privileged minority of people who, solely because they're executives of corporations or unions, can back their political preferences not only with their own money, not only with their own votes, not only with their own powers of persuasion, but also with the resources of organizations that are established for other purposes."

I have many examples from Ottawa's municipal elections where individuals, along with their family members, use their rights as municipal electors to contribute to the candidates of their choice and then use the resources of the companies they control to contribute to these candidates yet again. Just one example—and I have many—from the public record would be the Malholtra family, who own Claridge Homes, a major development company here in Ottawa. Neil Malholtra, the vice-president of Claridge Homes, and his wife, Ainsley, plus Shawn Malholtra, another vice-president of Claridge Homes, and his wife, Louise, together wrote 11 personal cheques, worth \$8,250, to 10 municipal candidates in the 2010 Ottawa municipal election. This is their right to do so; that's not the quarrel. However, three Claridge Homes companies controlled by the Malholtras wrote an additional 10 cheques to these same 10 municipal candidates, providing an additional \$6,550 in campaign funds. Altogether, the Malholtras provided \$14,800 in 21 cheques to these 10 candidates through personal and

corporate contributions. Their candidates were successful, in part, because they were able to spend more than their opponents in promoting their campaigns.

While this is a municipal example—and I have lots of these in Ottawa—the parallels to the provincial scene are obvious. The fact that these were development companies contributing to municipal candidates for a city council that regulates development is another parallel. May I say that I am personally pleased that Bill 181, the Municipal Elections Modernization Act, 2016, which eliminated corporate and union political contributions at the municipal level, was adopted by this Legislature.

The second reason is the need to remove the influence of big money in our electoral process. Corporations and unions are not philanthropic enterprises. Most corporations are for-profit enterprises; unions represent the interests of their members. They make political contributions based on their self-interest or, at best, as a form of investment. It raises questions about the relationship between elected officials, particularly those who form government, and their corporate and union donors. This leads to perceptions, whether true or not, that something is being given for something. More often than not, these contributions are coming from corporations and unions affected by government decisions involving tax policies, procurement policies, regulation policies and the like. It would come to the surprise of none to see these entities engaged in the political process in order to protect their interests.

While this is legitimate behaviour for these organizations, the Legislature elected by the citizens of Ontario operates on a different basis, or I certainly hope so: to protect the public interest. These interests—corporate self-interest and the public interest—are not always compatible. The Legislature, and the government that dominates the Legislature, to be legitimate, must be free of the taint of catering to self-interest. Candidates and their parties who accept contributions from corporations and unions which depend on their decisions for their welfare impair the legitimacy of their decisions. It creates an inherent conflict of interest and is bad ethics, all leading to cynicism among voters and contributing to lower voter turnouts. This bill corrects that defect in democracy by removing corporate and union political contributions.

These corporate and union contributions play, or have played, a large role in financing our provincial democracy. According to the Chief Electoral Officer of Ontario, their contributions from 2012 to 2014 comprised half of all the funds contributed to candidates and their parties: \$50 million out of \$98 million. So what are the policy implications of eliminating corporate and union political contributions? Should contribution limits go up, as some have suggested before this committee? Should they be replaced through public funding, as the federal model proposed? These are issues that this bill before you attempts to answer.

0910

Those of you familiar with legal concepts will recall the famous French example of equality: The law in Paris

treats rich and poor alike; none may sleep under its bridges. The same can be said to the notion of raising political contribution limits to compensate, so called, for the loss of corporate and union contributions. While notionally available to everyone, raising our already generous political contribution limits with its refundable tax credit only benefits the rich, not the average voter.

The Chief Electoral Officer in his testimony before this committee noted that 82% of individual political contributions in Ontario were less than \$1,525 a contributor. This should guide our thinking here, for the basis of our democracy is and should remain the equality of vote. Consistent with that principle, then, in my view, Ontario political contribution limits should not increase but, rather, should be reduced to reflect this reality.

There are two possible outcomes here. One could be the reduction in election spending—it's a notion that's on the table—forcing a more efficient approach to contacting voters and giving them the information they need to decide their vote. Politics, as many of you know, is a black hole that can absorb millions of dollars for consultants, focus groups, polling, robocalls and the like. Despite campaign spending limits, the cost of elections for political parties and their candidates continues to spiral, increasing the dependency on money. Here would be the discipline to make the political effort more efficient.

The more likely outcome, however, would be to broaden the base of supporters in order to fill the gap. This would have the benefit of engaging more citizens in the electoral process by making their contributions more meaningful. Certainly the recent example of Bernie Sanders in the US Democratic primary race is instructive. As a relative unknown he managed to raise millions of dollars to mount a competitive national campaign based on an average contribution of \$27. Making politics relevant to the average voter to the point where he or she would contribute to a candidate or party is a sure antidote to cynicism and apathy.

Lastly is the issue of third-party advocacy and the limits justifiable in a free and democratic society that permits the robust discussion of issues without compromising the integrity of the electoral system. Clearly, third-party advocacy that directly promotes the election or defeat of candidates or parties is an intrusion into the election regime that Ontario has built governing transparency, accountability and adherence to spending and fundraising limits which serve to protect our democratic process, and these intrusions should not be tolerated. However, the fact that a party may espouse or oppose a cause shared by another organization is fair debate as long as it deals with the merits or demerits of that cause. It is better, in my view, to regulate against obvious abuse than to grapple with ambiguity and imagined transgressions.

In sum, I am pleased to support this bill as it seeks to safeguard our democratic process and restore the principle of equality in provincial political finances. The removal of corporate and union political contributions is

necessary and should encourage political parties and their candidates to become more relevant to their electorate in order to garner the financial support needed to promote their causes.

I earnestly hope this committee and the Legislature will not succumb to the fallacy that the loss of these corporate and union revenues should be compensated for by raising the contribution limits for individuals, thus trading the privilege of one elite for another. I would urge the committee to tread delicately in setting rules for third-party advocacy, as robust debate is essential in a functioning democracy.

Mr. Chairman, thank you for your time.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Cullen. I appreciate your comments. We're going to start with Ms. Malhi.

Ms. Harinder Malhi: Thank you for your presentation. I want to thank you for all your advocacy on electoral finance reform and thank you, obviously, for being here today.

There are a number of things this new bill is looking at and we need to find significant agreement between the three parties. Which of the following do you support? Do you support levelling the playing field by putting an end to corporate and union donations altogether?

Mr. Alex Cullen: The short answer to that is yes. I hope I made that point clear.

Ms. Harinder Malhi: Yes. Will introducing a per-vote allowance of funding to help in the transition to a more grassroots-funded party system enhance democracy?

Mr. Alex Cullen: As a transitional measure, but not to make parties dependent upon it. The federal model did have public funding for transition. As you know, the last government began to reduce that element. Gradually, the parties are being weaned off that. But as a transitional measure, public funding makes sense.

Ms. Harinder Malhi: What about contribution limits? Do you believe in lowering them?

Mr. Alex Cullen: I don't believe in trading one elite for another. In my remarks, I made the point that it would be a fallacy to increase limits to compensate for the loss of corporate and union contributions.

As the Chief Electoral Officer mentioned in his remarks, 82% of Ontarians contribute \$1,525 or less. I think that Guy Giorno, when he presented here, said that the average contribution was around \$100. Who can spend \$10,000? Not everyone around this table; not everyone in the population.

Do not raise the limits. As a matter of fact, there's an argument to be made to lower them. Whether you take the Quebec model and lower it to that level—which would be brave—is before you, but do not raise it from the current level.

Ms. Harinder Malhi: And in terms of partisan political advertising six months before an election?

Mr. Alex Cullen: This is the delicate area that you need to walk on. This is about more than simply third-party advocacy, because you cannot ignore government

advertising in the same vein. My thinking is that you have to allow for public debate about the issues at hand. You cannot help but associate parties with issues.

Let's just take autism. I believe that there is a government announcement about autism today. There may be a party position on supporting a program to help children with autism. Should the autism society therefore be prohibited from commenting on that policy? It's their policy. A party may have adopted it. Can they not say, "We promote this policy," without naming parties?

The line you cross—and we do this at the municipal level—is when you specify parties and when you specify candidates: "We will support Alex Cullen because..." No, you can't do that. You can say, "We will support banning corporate and union contributions," something that Alex Cullen espouses, but you don't have to mention Alex Cullen and you don't have to mention the party in place.

So it's a delicate balancing act, and that's my response.

Ms. Harinder Malhi: Thank you.

The Chair (Mr. Grant Crack): Mr. Hillier.

Mr. Randy Hillier: Thank you, Mr. Cullen, for being here today and for your presentation. Central to when you start your presentation is, "Let's follow the money." I think that there are many people who would agree that following the money has been a difficult undertaking in provincial politics and in political financing in general. It's sometimes not quite as easy to follow the money and is difficult to do so.

You've done this at the municipal level and you've got some examples here, but you've also been engaged substantially with provincial politics as well.

Mr. Alex Cullen: Politics in general.

Mr. Randy Hillier: Politics in general.

You've given a municipal example here of financing and the relationship—have you got anything else to add on the provincial side?

Mr. Alex Cullen: Sure. I mentioned that I did three reports on the municipal side. What was very clear was that the corporate community is not fully engaged in municipal politics. You don't find the Bank of Nova Scotia, you don't find Shoppers Drug Mart and you don't find Tim Hortons supporting candidates. But you do have about 30% of all contributions coming from the corporate sector in Ottawa's municipal elections, and it's targeted. So who are the players at the municipal level in the corporate sector? They're the development companies, the construction companies and the waste management companies: companies that do business with city hall. It's in their interest. They're not generous in their—well, I'll have to rephrase that. They are not broadly based in giving their contributions. It's not as if they're supporting a candidate in their local ward. They tend to give to the maximum permitted and they tend to focus on a select group of candidates. As a matter of fact, 75% of those donations in the three elections that I looked at went to 20% of the candidates, mostly incumbents. So it's targeted.

0920

Right away, you have to say that these companies, who have a clear, demonstrated interest in what goes on at city hall, are targeting their funds, and there has to be a reason for it. Similarly, at the provincial level, corporations do not give their donations to every party. I think you had a presentation from the leader of the Green Party, and he's not seeing that same love from the corporate sector in Toronto—

Mr. Randy Hillier: Surprisingly.

Mr. Alex Cullen: Well, you know—but why? But it leads to the point that these corporations and unions are focused on a particular agenda, and the parties clearly depend on this money. It's half their revenues.

Mr. Randy Hillier: You brought up a phrase there that I think is important. It was "doing business with"—

Mr. Alex Cullen: That's right.

Mr. Randy Hillier: And that's what we've seen. Some people call it pay-for-play or cash-for-access. It's people doing business with one another, or who have the authority or the jurisdiction in that business field. We've seen it—I think the minister who represents your riding had one of the largest quotas for fundraising, and stakeholders of that ministry were the ones invited to the fundraisers. Contracts are being let out in that industry.

You make a good argument here, in your example on municipal, that they can still make all those donations, but personal now.

Mr. Alex Cullen: Every individual has that right, and we don't want to take that away. The United States takes it one step further, though: They require you to identify your employer when you give contributions at the federal level. This is not in this particular piece of legislation, and I don't know if it's that necessary.

Mr. Randy Hillier: Disclosure helps following the money. Without disclosure, you can't follow, unless you're magical.

There are other states and other jurisdictions that also prevent people who are doing business—that if you're making political contributions, you cannot do business with that government as well.

Mr. Alex Cullen: Okay. There's a line here, because everyone has a right to try—it's a democracy, and everyone has a right to present their opinion, even if it's self-interest. What we hope in the large scale of things is that there are choices, there are competing demands, and the merits of the case—the public debate, transparency—would lead elected officials to make the right decision. Democracy is not perfect. Churchill had a famous line that it was a terrible system except for all others, which didn't help very much.

I don't think you can prohibit someone from going to a city council or a school board or the provincial government and saying, "Hey, I've got a great idea for renewable energy. You guys really should do this," and him making a personal investment in the business. I don't think you want to cut that off.

Mr. Randy Hillier: You'd allow personal investment into the political decision-maker as well, then?

Mr. Alex Cullen: He gets to play as an individual, and he can use those resources to promote his plan. The line he crosses is when he gets treated separately and, as additional privilege, if he can use those corporate resources to promote his idea in government through contributions.

We see, all the time, businesses promote their positions, whether it's renewable energy, the pipelines or what have you. They are seeking to mould public opinion, and that's part of debate. They have resources. They're using their resources. That's part of the public debate. We worry about the way to that—

Mr. Randy Hillier: We did see the examples this year with the renewable energy contracts, where people—renewable developers—who didn't contribute didn't get contracts.

Mr. Alex Cullen: Yes. So the difference is contribution and being able to espouse your case. I'm not talking about restricting your ability to espouse your case, although there's a big difference between Apple espousing its case and me espousing my case. They've got billions; I don't.

We're talking about how our political process is financed and who gets to participate, who writes those cheques. It should be restricted to the individual voter. That's what this legislation is doing and that's what I support.

Mr. Randy Hillier: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Fraser?

Mr. John Fraser: Alex, it's good to see you this morning. Thank you very much for your presentation. It's well thought out, very well written and well presented. I appreciate very much—

Interjection.

Mr. John Fraser: Catherine, do you want to—

Ms. Catherine Fife: It's okay. You started. I thought we were going around this table. That's usually how it works in committee.

Mr. John Fraser: If you want to go ahead, Catherine—

The Chair (Mr. Grant Crack): Just for clarification purposes, this is not a strict, regimented way to move forward. There are 40 minutes, so I try to get 13, 14 minutes out of each party. For me, it really doesn't matter who puts their hand up; I will acknowledge them.

Interjection.

The Chair (Mr. Grant Crack): Thank you. Mr. Fraser?

Mr. John Fraser: Thank you very much, Mr. Chair.

I agree with you on the support of banning union and corporate donations. I think that will be at all levels of government. It's evident that that's important.

But I do want to talk to you about two things. The first is about not increasing limits, which I agree with as well. A question I wanted to ask you, because I think you've run as an independent as well—you spoke about lowering those limits. How would you feel about that in terms of how that would affect the ability of an independent

candidate to be able to raise the kind of money that they need? Do you think it's going to affect it at all? Is it a red herring? Or do you think that maybe you'd have to look at lowering those donation limits with respect to independent candidates and how it would affect them?

Mr. Alex Cullen: I've been a fundraiser—as a matter of fact, a fundraiser for your party at one time. The easiest thing to do was to call a small group of people and get the cheques—so minimal effort and greater return.

As a candidate, though, money is always appreciated in a campaign, but you want to broaden your base. You want to increase your base of support because if you have more people who will write a cheque for your campaign, they'll tend to work harder and have more invested in your success. The more people who do that, the greater my chances are of being elected.

When I ran municipally in 2006, 2010 and 2014, I did not take corporate cheques. We relied on a base of individuals. Those individuals, over 300 of them, had an interest in my success and that translated, for at least a couple of those campaigns, into my success.

When you look at the manual that's handed out to riding associations—and I'm only familiar with two—

Mr. John Fraser: Probably the same.

Mr. Alex Cullen: Yes. Those manuals promote increasing your voter base, increasing your donor base, because it translates to better chances of success.

We know that there are situations where money can't buy an election but it sure as heck is helpful. We know that if you are able to broaden the base, you have more people working on your campaign and you're better able to get your message out. That increases your chances of success.

Mr. John Fraser: Thank you very much. One other question. It's very interesting: You're looking at possibly more than half of the money coming out of the election process and that would probably drive down, depending on what happens with the per-vote subsidy, the money that's available to run campaigns.

But my question does relate to that money that's sitting there that's now not going to be there in terms of a third party. There are arguments for and against how you would handle a third party before an election and whether you should regulate it or not, and what's the best way to do that. There's a potential for a proxy that pops up on the other side. How do you actually prevent that, or maybe not prevent, but make sure there's a balance?

0930

Mr. Alex Cullen: I think you should look at the federal example because it came into play in 2007, and of course there were a bunch of elections after that. It was a minority government for a while. I think the federal experience has basically shown that political parties have been able to survive the transition. I guess the best example is the Conservative Party, which really broadened their base of supporters. More recently, the Liberal Party has done that, and of course every party is trying to do so because that's where the revenue will come from, federally.

There is the notion that this money, the corporate-union money, is participating in the process because they want to influence the outcome, and if they can't do it directly through supporting parties, they'll do it indirectly. There's some truth to that because they have an agenda to advance and they have resources. You have to draw lines. The line that was used municipally was that you cannot directly support a candidate, otherwise, as a contribution. You can't free up resources to support a candidate; you can't say to someone, "Oh, take the day off. We pay you here and you can go work in Joe Blow's campaign." That's a contribution.

You also can't launder money. Everyone knows that it's against the law to take money from somebody else and then use it to support a candidate. There have been examples of that, which has not worked well. Most Canadians would find that very icky. They know it's wrong, and in the long run such devious behaviour will be exposed, in my view.

The fine line of promoting a program—and I used the example of autism; you could use free trade, you could use whatever—you can't divorce that from the political process. Just look at any large issue that becomes an election issue. People have views and they get to play, and there is that rub-off effect. You can't sterilize the two. What you can do is stop it from crossing over into what is clearly the election forum, which this Legislature and previous Legislatures have defined: the election period, who gets to play, the transparency, the reporting, the accountability—that's where you have a role to play. But you can't say, "Well, gee, someone has made"—I don't know what—"the lowering of the voting age an election issue"—one party or another. —"Therefore you, youth services bureau or YMCA, can't talk about it." No, that would be crossing the line.

Mr. John Fraser: I think what I'm hearing from you is there has to be a distinction between what's advocacy and what's trying to directly influence a particular outcome for a particular party or a person, an individual. Is that what I'm hearing?

Mr. Alex Cullen: That's right. I know there's going to be disquiet about how that line is drawn, because clearly if you're promoting free trade and you have one party that's running on free trade, there's a rub-off effect. I can't see how—short of saying you can't devote money directly to the party and resources directly to the party you can't eliminate that rub-off effect.

Mr. John Fraser: I guess what you're saying or suggesting is that wherever that line gets drawn, that line leaves more room for advocacy, gives the benefit of the doubt—it's based on the advocacy side.

Mr. Alex Cullen: To go back to first principles, what is the most essential principle to make a functioning democracy? It is the ability to speak freely on issues, to have that debate. You can curtail that in a free and democratic society if you run into another problem. For example, no one can come in here and willy-nilly cry "Fire!" That's the classic legal example. We don't allow people to run in here and yell "Fire!" and cause all kinds

of upset when there is no fire. We accept that limitation on free speech. The Supreme Court has already pronounced on this once—more than once, I think.

There are other examples elsewhere. It's difficult, it's disquieting, but there are first principles. One first principle is that you can't achieve by one method what you cannot achieve by another. Because you can't give directly to a party that espouses—you can't then free up resources in another way. However, there is free debate on issues and everyone is permitted that opportunity.

Mr. John Fraser: I'll just make one point here because I know that we look at—I agree with you, but when you look at the challenge of the coal people saying they want to spend \$3 million in advertising six months before an election that says, "Burning coal is a good thing and coal is clean," maybe it's not the best investment, but do you see what I'm saying in terms of the—

Mr. Alex Cullen: Oh, I understand. But six months, three months, a year—I mean, that's arbitrary. You have to go back to first principles. Just because you have a period, are you going to say that parties can't espouse things? Of course they can. No, the differentiation is between the ability of individuals and the organizations that they're engaged with, whether it's Greenpeace or the coal people, to talk about their issues. That's public debate. So they can talk about coal being clean all they like. You expect other people to join that debate and hopefully present a countervailing viewpoint.

You know, money does not always buy every election. I can recall being engaged in the Charlottetown accord referendum. There was a yes side and a no side. The political establishment was pushing the Charlottetown accord. It didn't go so well. Even though the political establishment was pushing this and the major businesses were pushing this, it didn't go so well because the common people said, "Eh, there's something wrong here. We're not buying it," and it has gone away.

Mr. John Fraser: I want to leave time for everybody else. Thank you very much.

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: Thank you very much for being here, Alex. You've given us a lot to think about.

I want to pick up a little bit around the free speech issue, because all of us around the table have come to the place where we are very supportive of removing union and corporate funding from politics. It took a long time, but we're already there. But this bill, as it's crafted, has a major flaw in it, and that pertains to the six-month period, pre-writ, where issue-based advocacy is being severely restricted. As you point out, free speech is one of those basic tenets of our democracy.

When the electoral officer gave his presentation, he quoted from the United States Supreme Court decision that said, "What separates issue advocacy and political advocacy is a line in the sand drawn on a windy day." What I like best about your presentation is that you say, "It is better, in my view, to regulate against obvious abuse than to grapple with ambiguity and imagined transgressions." This is problematic with this particular

government, because at the same time as they have contained within this piece of legislation that limitation on issue-based advocacy, they changed the Government Advertising Act in 2015. The Auditor General was quoted as saying that the changes to the Government Advertising Act—she described these changes as gutting the restrictions on partisan advertising and said it would allow the government to run partisan ads. We have seen some evidence of that post-June 2015.

My question to you is, can you talk to this committee and share your views on having very restricted issue-based advocacy on the part of the electorate and the citizenship, and having unfettered, unlimited funding on the government side of the House? I'm not talking about government advertising that warns citizens about texting and driving. I'm talking about releasing a commercial on a climate change plan that the citizens have not yet seen.

Mr. Alex Cullen: Well, there is a contradiction, clearly. A restriction on third-party advocacy, yet one of the players that is going to be influencing people's attitudes, whether it's on climate change or employment or you pick it, doesn't have those same restrictions—it's a contradiction. We all understand that the vehicle of government can sometimes be used for partisan advantage. This is not new. It is a problem. From time to time, from Legislature to Legislature, there are attempts on behalf of the Legislature to restrict the power of what was then the crown but is now the government in terms of how it spends public monies and how it advances its case. When you are looking at third-party advocacy and saying, "No, no, no. Six months before, you can't influence things," but you have advertising that clearly seeks to influence issues of the day, it's a contradiction.

0940

Let's go back to first principles. It's not enough to say that we're going to ban the government from talking about these issues. That's not sensible. What are we going to say—that the opposition can't talk about these things? That's not sensible either. The issue is to be able to talk about these things. The line that should be drawn is devoting resources to political players to enable them to advance their issues.

Devoting those resources: You go back to freedom of speech and you go back to, "What are those resources?" So we say—we've all agreed—that it's up to the individual voter. We talked about entities like corporations and unions. Well, government is an entity, right? Government comes from the largest party that has the confidence of that Legislature, so it's clearly partisan.

Ms. Catherine Fife: And someone is going to have to regulate this. Someone is going to have to oversee, because enforcement is the other side of the coin, right? I was encouraged that the electoral officer recommends that the definition of political advertising proposed in the bill apply only during writ periods; in other words, that it not apply to that six months. That's a recommendation of the electoral officer.

You did reference—and your municipal example is very powerful, I think. It's almost \$1,550, but the actual new donation cap is \$7,750.

Mr. Alex Cullen: Way too large.

Ms. Catherine Fife: Way too large. You consider that still to be "big money."

Mr. Alex Cullen: Oh, come on. It's a major decision for people to buy a car, right? Yet not every household in Ontario has a car. As a matter of fact, there's a significant minority of Ontarians who don't have cars, and think of how easy it is to buy a car and get 0% financing. So, \$7,000 for politics: Who can do that? Who can write that cheque?

Go back to first principles: You want voters to participate in the political process. You want to make it easy for voters to participate in the political process. You want an incentive for the political process to engage voters. You don't want to create a situation, which I was in, where I could pick up the phone and phone 30 people and get 20 cheques. That's not right. So you want to be in the position where people are engaged in the political process. You do not want to swap one elite for another, because it is a small group of people who can say, "Seven thousand dollars for you, Catherine? Sure."

Ms. Catherine Fife: That doesn't happen, actually.

My final question, though—and this is around the public financing of parties, because we have to find a way where politics and the financing associated with our parties is truly transparent. That also involves some sort of disclosure which is open and transparent, and currently it is not.

Yesterday, we heard from former cabinet minister John Gerretsen, and he talked about the culture shift in the role that money played and the expectations of a political party on cabinet ministers and politicians to raise funds. He's very supportive of the public financing of political parties. He's not sure if the actual amount is right or if the mechanisms are right, but he criticized this piece of legislation—that it reduced the public funding for parties over a five-year period down to 70%. He said, "Why do that? If you're serious about having an open and transparent financing model of supporting political parties, including the Green Party, why would you reduce that subsidy to a point where they have to go back to big money to survive?"

Mr. Alex Cullen: The fallacy there is "if you have to go back to."

Ms. Catherine Fife: Well, use the federal example as—just speak to public financing, if you will.

Mr. Alex Cullen: Sure. I support the transitional element. It makes some sense to have some public financing: "Because of the restrictions in reporting that are being imposed on the political process, here is some compensation for all that effort that is happening." That makes sense.

In the end, the political process belongs to the voter. It's not the property of parties. Parties are there. They appeal to voters. If voters don't support them, they do not last long. Where is the party of joining with the United States? There was once a party so registered, and it's now gone; no public support. And you're dealing with public funds, which there is lots of competition for.

So I accept that as a means of transition, there ought to be public funding. And I accept, because of the cost of enforcement of adherence to a publicly regulated regime, that there would continue to be a public subsidy. But I am very leery of saying that this should be a major source of revenue for any political participant. The political participant should live and die on public support. If you're not relevant to the public, then you're not going to play anymore. That's the issue. You cut off easy access to those who will trade on your desire for money because they want to advance their interests. Okay, that link is being broken, finally—federally, provincially and municipally.

So the short answer is, I accept transitional funding to a point. I accept that it stays there to a point because you've got a publicly regulated system. But I don't accept that it becomes a predominant feature.

Ms. Catherine Fife: Okay. Thanks.

The Chair (Mr. Grant Crack): Mr. Clark.

Mr. Steve Clark: How much time do I have, Chair?

The Chair (Mr. Grant Crack): Five, six, seven—six minutes, maximum.

Mr. Steve Clark: Thanks, Mr. Cullen, for your presentation. I appreciate especially the example of the corporate donor that you outlined in the municipal campaign on page 3 of your presentation.

Mr. Alex Cullen: I have many more.

Mr. Steve Clark: I'm sure you do have many, many more. I'm quite interested in the comment that you made before the committee in response to Mr. Fraser's question about, at the municipal level, not having the ability for a corporation to provide a paid volunteer at a campaign office. Yesterday, for example, we had a young gentleman present to us who was a member of a union. He admitted that he had been paid book-off at two provincial campaign offices.

Seeing your example, I just want to make sure that I know unequivocally where you stand. You would support a provision in this legislation that would very clearly outlaw a loophole that would allow a corporation, rather than be able to give a financial donation, to be able to do a paid volunteer at a campaign office. You would agree that should be outlawed in this bill.

Mr. Alex Cullen: Absolutely. Quite frankly, my interpretation of the bill is that it's a financial contribution. You've hired someone to look after your books at corporation X. Telling them, "You can take today and go work for Alex Cullen while still getting paid"—basically, he's being paid to work on my campaign. That is a financial contribution that should be forbidden. Whether you write a cheque to my campaign for that day's worth or you provide me with a person who is going to run around and do that—put up signs, deliver brochures, work on the phones; whatever it is—it comes to the same thing.

Mr. Steve Clark: That was my question. I know Mr. Hillier wanted to follow up on the group contribution section, so I'll defer to him.

Mr. Randy Hillier: Thank you. The important element—just for clarification, you said "prohibited" the paid volunteer. Are you really saying—

Mr. Alex Cullen: If it's a paid volunteer, it's not a volunteer. That's a contradiction in terms.

Mr. Randy Hillier: Well, it's an oxymoron; I grant that.

Mr. Alex Cullen: What someone does on their own time is their own business. That's fine.

Mr. Randy Hillier: But my question is, do you want that to be identified as a contribution, or for it to be prohibited?

Mr. Alex Cullen: No. If it can fit under contributions, it's a contribution. That's fine. But that doesn't carry you very far, right?

Mr. Randy Hillier: Right.

0950

Mr. Alex Cullen: The maximum contribution at the municipal level is 750 bucks. That's not going to carry you very far.

Mr. Randy Hillier: No.

The other part of that, in your presentation—municipal financing laws recognize that as a financial contribution where Bill 201 doesn't.

Mr. Alex Cullen: It ought to.

Mr. Randy Hillier: Yes.

Mr. Alex Cullen: It would be consistent.

Mr. Randy Hillier: In the other part of your presentation, you use the term "money laundering," moving money around from one organization to another. I'm not sure if you've looked at subsection 21(1) of Bill 201 under "Group contributions," where we allow unincorporated associations or organizations etc. to provide group contributions. If the contribution is less than \$100 per individual of that group, then it is not deemed as a contribution. So the disclosure becomes—there is no disclosure. It's another backdoor way of funding—

Mr. Alex Cullen: Let's differentiate between third-party advocacy, because organizations—

Mr. Randy Hillier: No, this is just about election finance—campaign finance.

Mr. Alex Cullen: In election financing, the rock has to be the individual voter—no double-dipping; no doing it twice. You have an individual voter—I have people in my community who are very strong environmentalists. They have so much money to spend on a campaign and they are trying to sort out how to do it. You do not give them a double dip.

Mr. Randy Hillier: Right. So even that environmental group ought not to be allowed to put a couple of hundred people into a campaign—

Mr. Alex Cullen: Ah, now, a couple of hundred people—

Mr. Randy Hillier: —and be paid—

Mr. Alex Cullen: See, the environmental group hasn't hired them. It is not a contribution because someone is paying their salary. That salary is being redirected for a campaign effort. These are members of a volunteer group, whether it's Greenpeace or the Council of Canadians, and they come—

Mr. Randy Hillier: I'm talking about paid people.

Mr. Alex Cullen: Okay. So paid staff—sorry, no. It's a contribution. That rock has to be solid there.

Mr. Randy Hillier: Thank you.

The Chair (Mr. Grant Crack): Ms. Fife, you had three minutes left. Are you interested in taking that?

Ms. Catherine Fife: I do want to clarify that with the delegation that was here yesterday, he did make it clear that he wasn't speaking on the part of his union, but he was a union member. That was his personal perspective that he was sharing.

Around Bill 201, just to clarify: You share the concerns around the six-month issue-based advocacy. You think the \$7,750 is too much.

Mr. Alex Cullen: Correct.

Ms. Catherine Fife: That's the takeaway for us today. And you have some concerns around government advertising, that it's completely unfettered.

Mr. Alex Cullen: That's correct.

Ms. Catherine Fife: Thank you.

The Chair (Mr. Grant Crack): Thank you. Now, Ms. Hoggarth, you have two minutes, maximum.

Ms. Ann Hoggarth: Thank you, Chair. The government is looking for important feedback in strengthening the proposals in Bill 201. Many of the presenters have advocated for improving donor disclosure by asking donors to list their employer as a way to ensure that corporations and unions are not able to funnel donations to the political parties through individuals. Is this something you support? Why or why not?

Mr. Alex Cullen: Hmm. I pause only because, is it necessary for the integrity of the process? If it is necessary for the integrity of the process, then regretfully, we would have to do that. So I would go step by step. I'm a little cautious on this. Is the suggestion that there are companies out there that will do that? It's already illegal to funnel money—for anyone to give to anybody else funds to then contribute to a political party. That's already the law. Is it necessary to take this step?

If the judgment of the Legislature is that it is necessary, well, okay; that's what you're elected to do. I am not convinced that it's necessary. I would be saddened if it was necessary. But if it was necessary, I would not hesitate. I'm just not there yet.

Ms. Ann Hoggarth: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. I'd like to thank Mr. Cullen for coming before committee this morning. I appreciate your comments.

Mr. Alex Cullen: Thank you. I wish I'd had this time with Bill 181. There, I had 10 minutes and had to rush through everything. But it has been delightful, Mr. Chairman. Thank you.

The Chair (Mr. Grant Crack): You're quite welcome. Thank you very much.

MR. GARETH JONES

The Chair (Mr. Grant Crack): Next on the agenda we have Mr. Gareth Jones. Mr. Jones, how are you today?

Mr. Gareth Jones: Fine, thank you. How are you?

The Chair (Mr. Grant Crack): I'm well, thank you. You have up to 10 minutes for your presentation, followed by 15 minutes of questioning from the committee members. Again, welcome. The floor is yours, sir.

Mr. Gareth Jones: Thank you. Good morning. I'm Gareth Jones. I'm a correctional officer in Brockville, a member of OPSEU Local 440 and a regional vice-president for OPSEU.

I want to thank you for giving me the opportunity to present to you today about the proposed changes outlined in Bill 201 to election financing in Ontario. As a member of OPSEU and as a citizen of this province, I think this is a very important issue. In particular, today I'd like to talk to you about two things: donation limits and the importance of public financing for political parties.

I admit to some bias when it comes to donation limits. I'm not likely to be able to pay for a \$10,000-a-seat dinner to get a private audience with a cabinet minister—

Interjections.

The Acting Chair (Mr. John Fraser): Excuse me, Mr. Jones. Could you just pull your mike closer?

Mr. Gareth Jones: Absolutely.

The Acting Chair (Mr. John Fraser): Thank you.

Mr. Gareth Jones: So to be honest, it upsets me when I read in the papers that ministers who have important decisions to make every day that impact everyone in Ontario have fund-raising quotas that have almost forced them to end up in these types of high-finance situations. I know from talking to my neighbours and from talking to my members that I'm not the only one who feels this way.

In a democracy, my elected representatives and my government should care what I think. They should care what the correctional officers in my local think—and every constituent, for that matter. It shouldn't matter whether I can only afford to give \$10. That should not make my point of view, my members' point of view or anyone's point of view any less relevant than that of someone who can afford to give \$10,000.

But the reality is that, with the current rules, I know and they know that that isn't true. It's simply not the case. If an MPP needs to raise, say, \$100,000 and has two people wanting to help her campaign, one who can afford to give \$10 and one who can afford to give \$10,000, I know which one will be the priority. And the next year, when both of those people ask for a moment of that representative's time, I know which one will still be the priority.

The current rules put representatives into positions that they should not have to be in. Namely, the need to fundraise, coupled with the current and proposed limits, leaves candidates seemingly beholden to large contributors in the public's perception. This perception, along with the fact that these large donors stand to benefit from the actions of those candidates, creates cynicism and a feeling of disenfranchisement among the electorate. That's just simply wrong. What should matter to parties is what's in my head and what's in my heart and how I feel about the issues, not what's in my wallet.

The challenging question that you're grappling with—and I'm glad that you're doing it, because it's a very important one—is a fundamental one to the functioning of democracy: “How do we get there?” I think there is a very simple answer, and this bill already talks about this. The answer is to limit donations so that everyone can participate, regardless of their means, and to take that question of “How much can you afford to give?” off the table completely.

My concern is that the limits that are proposed in this bill—dropping from \$33,250 to \$7,750—still don't put me or my members in the same league as someone who owns a Canadian Tire or has a Bay Street advertising agency. I looked it up. The average salary in Ontario is \$49,000—\$49,000. I doubt that many people earning \$49,000 can afford to give \$7,750 in a year. I know I can't.

1000

Further to that, \$49,000 is the average salary. It's a measure of income; it's not a measure of wealth. That's an important point. When you add wealth into the equation and do not simply look at income, the ability of who is or is not able to pay is skewed even further in favour of the few and away from the many.

What I'm saying is that if you're going to try to even things out, it should be at a level that everyone can reach. For me personally, I would say \$50 or less, maybe \$20. I suppose that may sound extreme, given the variation between that number and the proposed number in the legislation.

Everybody says it: Let's take a look at Bernie Sanders in the United States. He is running a campaign that is inspiring people across his country and around the world, engaging people in the process. Just as importantly, it is a solid, well-financed campaign with an average donation of \$27—\$27—so clearly it can be done.

I hope I'm pointing the right way. Here in Canada, we only have to look one province over to see that Quebec parties seem to be able to function quite well with a limit of \$100.

It makes sense that people feel a greater sense of connection to a campaign like the one Bernie Sanders is running. When donations are limited to a level that lets everyone participate, it makes everyone feel that their contribution matters to the campaign and that their support is valued by the campaign. In an age when too many people are feeling cynical and disengaged from politics, that's important. The engagement of the electorate is vital to having a meaningful democracy, and any measure that you take here, in my opinion, needs to have that first and foremost in mind.

There is no arguing with the fact that eliminating these \$10,000-a-plate dinners will decrease the amount of money that political parties are receiving in individual contributions—absolutely, it does. But there is a way to replace that money that does not require giving greater access to those with greater means, and that way is public financing.

When we support political parties through public financing, we create a situation where parties are able to

focus where they should: on winning support and votes from the public. It's really just extending and, indeed, in my opinion, sustaining the principle behind “one person, one vote” to all aspects of politics—and the Supreme Court has referenced this with decisions regarding section 3 of the charter—ensuring that the support of a person who has \$10 in their pocket is worth just as much to a party as the support of someone who has \$10,000.

I'm not an expert on the mechanics of exactly how you implement that public financing. I'm sure that people can tell you why one method works better than another or how to ensure that incumbent parties versus independents versus emerging parties—how to create that balance so that no one ends up with an advantage. But what I think is easy to talk about is the principle of public funding because, in the end, it's about fairness, and that's something that people are experts on. I think we know ourselves when something is fair and when something isn't.

I look at the current system, where a small group of elite people with lots of cash get the minister's time, while my members don't get a phone call. That doesn't feel fair. And the fact that you're all here today looking to fix this system means that you don't feel it's fair, either.

So to wrap up, to finish, I would ask you, as you look at these changes to election financing in Ontario, please ask yourselves the following questions:

Do the numbers you're proposing for donation limits sound like amounts that everyone can donate, whether they work in a Bay Street office, in a Brockville jail, like me, or a part-time minimum wage job? Because if they don't, then you're setting the wrong targets.

Will these changes to election financing encourage engagement and participation by the electorate in the political process with all the benefits that brings?

And does the system that you're creating by how parties are funded lead to a situation where parties care equally about every voter's support regardless of the size of the cheques they can write? In short, will this promote fairness?

Our Chief Electoral Officer said on June 6 before this committee—and I paraphrase—modern services for Ontarians that put the needs of electors first. I believe those are words worth considering.

Thank you for listening to me and best of luck with your deliberations. It's a very important issue and I'm glad that you're working on it.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Jones, for your comments. Five minutes for each party. We'll start with the NDP. Ms. Fife.

Ms. Catherine Fife: Thank you very much, Mr. Jones, for your presentation, in particular for focusing on the impact of, as it's described right now in Bill 201, the \$7,750, because our deliberations are supposed to put the elector at the centre and we are supposed to be focusing on fairness in election financing.

You said something interesting for me. You said that, as a member of OPSEU and as an individual citizen in the province of Ontario who works in a correctional

facility, you perceive that money does buy access to politics in the province of Ontario. I wondered if you'd like to talk a little bit more about that and if the proposed change you are recommending, which is a reduction in the individual contribution to politicians and political parties—what impact that would have, positively or negatively.

Mr. Gareth Jones: I'm not sure if this is maybe almost tangential, but I recall being at a Liberal golf tournament last year. It was \$800—\$3,200 a foursome. That just happens to be one that I didn't attend, because I didn't have \$800. I did march up and down outside the gates, though.

To me, that illustrated something very powerful, and that is that there were miles and miles of cars lined up with very wealthy individuals. They were able to spend \$3,200 to get a foursome and have access, whereas we, citizens and workers of Ontario, were standing outside the gates being held up by security. That was our access. In a nutshell, that answers it for me.

Ms. Catherine Fife: Okay. This is where we have to find the balance around the financing. Even for an individual who is not in a by-election year or a leadership race, that \$1,550 is still a lot of money. So you would have us have a hard look at that number and greatly reduce it?

Mr. Gareth Jones: Absolutely. When I talk to my friends and neighbours, and members as well—I don't know too many people who have \$1,550 that they can spare. Frankly, if they do have that kind of money, no offence to anyone at this table, I hope they find a better use for it. I really do. I don't believe that that should be the role that citizens are expected to play. I believe that anything that broadens the base is a good thing. It will improve access to democracy. It simply is that the larger the number is, the more restricted access is. There's no escaping that logic.

Ms. Catherine Fife: Okay. That's a very good description. For me, my takeaway from your presentation is that you very much see that money does buy access to politics and you want us to address it through this bill and through this committee.

Mr. Gareth Jones: Absolutely.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Hoggarth?

Ms. Ann Hoggarth: Thank you for your presentation. Ontario is taking steps to level the playing field—that's what this is all about—by limiting the role of third-party advertising in elections. Bill 201 accomplishes this by taking the important step of limiting the amount of third-party advertising in an election.

You're a part of an organization that may at some point have been or could be a part of third-party advertising, that spends funds on election advocacy. The third-party spending limits relate only to advertising in this bill. Not included in the cap are other political activities, such as mailings to union members, company employees or shareholders, or making telephone calls to electors to encourage them to vote, along with day-to-day

political operations and advocacy. Do you think that third-party advertising should be limited, or not?

Mr. Gareth Jones: I guess I would qualify my remarks with writ period or non-writ period. I think that you're going to find a delicate balancing act between allowing legitimate expression of advocacy by various groups. I heard an example when the previous presenter was talking about autism funding. There's an example where you have parents' groups that could well want to advocate and put out a public position on what they feel. And so, I think—

1010

Ms. Ann Hoggarth: Would that not be against a party or a candidate?

Mr. Gareth Jones: I think if it were explicitly directed against a party, then it may well be taken that way. But I would ask you this: Should parents be allowed to advocate for their children?

Ms. Ann Hoggarth: Have what?

Mr. Gareth Jones: Should parents be able to advocate for their children? Should a parents' group, representing the interests of their children, be allowed to advocate for what they see as those children's needs? It's a delicate act. It's a delicate balancing act; there's no doubt about that. So I don't know what the exact answer to that is, but I would say that if the answer ended up being, "No, you can't advocate for your children," maybe that's not a good answer.

Ms. Ann Hoggarth: Thank you.

The Chair (Mr. Grant Crack): Mr. Clark.

Mr. Steve Clark: Gareth, welcome. I'm glad to see you before the committee. I appreciate the work that you do in my riding and the hard work that you do at the Brockville Jail. I toured your workplace freely. I agree with you in many comments about access. Certainly, in dealing with issues that affect your members—and I'd love to hear your comments—I think you share my view that you would much rather be an advocate for your members, whether it be at ServiceOntario closures, demonstration school closures or some of your members who perhaps would work with parents and children with autism, as opposed to being focused on more election activities. Would that be a fair assessment?

Mr. Gareth Jones: Well, this is certainly a departure from my normal activities; that's fair to say.

Mr. Steve Clark: One of the things that we've talked about at the committee—and I know you didn't cover it—is advertising and advocacy from a government perspective. One of the things that I brought up at committee a couple of times, and I used the example—some have used six months; I used the Manitoba example of three months, where, leading up to the election, the government would be restricted in the amount of advertising they use. In Manitoba, for example, it would be government tenders, job postings and emergency announcements, and you would have someone adjudicate it. In Manitoba's case, it would be the election commissioner. Is that something that you have put your mind to? Do you have any comment on a restriction for the government on

advertising that they would be involved in, leading up to the election?

Mr. Gareth Jones: Broadly speaking, it's recognized that there is a certain weight that comes with incumbency in government. I would, in general terms, be supportive of anything that reduced that incumbent advantage, so I guess, broadly, yes.

Mr. Steve Clark: In terms of your strong comments regarding quotas and cash for access, I agree with many of the things you said. Certainly you believe, I believe, that what we saw with the media reports about Minister Chiarelli's \$6,000-a-plate access for himself and Premier Wynne—you as an advocate for your membership shouldn't have to buy a ticket to a fundraiser, for example, for your former minister, Mr. Naqvi, if you were advocating for your members for better conditions in our correctional facilities in Ontario.

Mr. Gareth Jones: No, and that is a real problem because part of my role, frankly, is advocacy for my members and part of it is advocacy for the community at large in a variety of settings or issues. It's difficult when—and I've protested outside of a number of members' offices here and a number of other members across the province—yes, Mr. Fraser.

Mr. John Fraser: Oh, yes.

Mr. Gareth Jones: Having said that, I'm perfectly happy doing that. But it's just as important to be able to get inside that office and have access. This is what I'm talking about with respect to fairness. A citizen is a citizen. No one citizen should be more valuable than another. It's an unequal world, but we have the ability here, through this legislation, to make it more equal in one of the most fundamental aspects of our society, and that is having a vibrant participatory democracy. If we don't have that, we don't really have very much. That's something that we should be defending passionately and fiercely, because I believe in this very strongly.

This is an important piece of legislation. It's going to very much govern the actions and abilities of people to participate in the political process. Therefore, anything that broadens that base, engages citizens and allows a meaningful participation in every aspect of political life, that should be your in. Thanks, Chair.

The Chair (Mr. Grant Crack): Thank you very much. We have a couple of minutes. Mr. Fraser.

Mr. John Fraser: I just want to say hi, Mr. Jones. We've met before on a couple of occasions.

Mr. Gareth Jones: Yes, we have.

Mr. John Fraser: I want to thank you for your presentation this morning. It's very thoughtful, and I know that you're very passionate about it. I can tell by how you're delivering that.

One of the questions that I did want to ask was around—I wanted to make sure you're clear with the banning of corporate and union donations as something that you support unequivocally inside that bill.

Mr. Gareth Jones: So to be clear, you're asking me if I support the banning of corporate and union donations?

Mr. John Fraser: Yes.

Mr. Gareth Jones: Yes, as a matter of fact, I do. This flows from the same principle of fairness, that the voice of one person should not be louder or more valued than another.

Mr. John Fraser: One of the things that I asked one of the previous presenters around third parties: How do we actually strike that balance? Because there is a risk of a proxy inside, once you restrict or diminish inside the political process, either by funds or by any other kind of limitation. There's a potential for that to drift over to a third party or a proxy. Is that of any concern to you?

I think, as the previous presenter said, there is a balance. Do you think that's a problem? If you do, how do you get that balance?

Mr. Gareth Jones: I think it's definitely an issue. I think it was Mr. Hillier who was talking earlier about making it easier basically to follow the money. I hope I'm paraphrasing you accurately.

I would be in favour of any measures that increased transparency, I guess, for want of a better word to put it. So yes, if that meant, when you're talking about the proxy stuff—and I believe Mr. Cullen referenced several acts that are already illegal, so I don't think we need to re-legislate what has already been legislated. But if there is a mechanism in this legislation to make it easier to account for any cash or paid activity, then absolutely, I would support that. I hope that answers—

Mr. John Fraser: I guess it's the division that I'm driving at, the division between advocacy and partisanship, because that's the risk. Right? That's the risk, that the money that's freed up inside the system goes to a proxy. Some people don't think that's a risk or a danger; other people do. I'm just trying to get where you're at on that. What I hear is you think there might be a problem.

Mr. Gareth Jones: I think there might be a problem, and it is delicate. I used the example before of a parents' group, and there are several ongoing issues working with parents' groups. I think you need to allow people who are representing special interest groups such as that on matters of public policy a voice.

When you're saying a partisan part, well, that's difficult. I'm not trying to beat that example to death, but again I'm part of a parents' group advocating for their autistic children. The fact that I advocate saying that I believe a government policy should be changed, does that make it anti-Liberal? Does that make it partisan? Because there is always a party in power.

Mr. John Fraser: I guess what I'm asking—I agree. I agree that there has to be an ability to advocate for issues that you believe are important. The question is, where do you draw that line from partisanship? I think you have to err more on the side of advocacy, but where do you actually draw that line? So that's why I wanted to draw that out of you to see if you thought that was a concern.

Mr. Gareth Jones: I see the point you're getting at, and yes, I can see that being a concern. It's difficult, and frankly, there's probably someone with more expertise who can give you a better answer. For me, I am

concerned about limiting people's voices. However, along with the same principle, it's not having one voice larger than another. I take your point.

1020

Mr. John Fraser: Yes. That's absolutely correct. It's all the voices close to the same volume.

Mr. Gareth Jones: And that's an admirable goal.

The Chair (Mr. Grant Crack): Thank you, Mr. Fraser.

Mr. Hillier, two minutes.

Mr. Randy Hillier: Thank you. I'll be very quick.

I was glad to hear your comments about disclosure as well, and the importance on disclosure. I just want to ask: Have you heard, or have you been briefed at all by your organization, about subsection 21(2) of the act, where group contributions, if under \$100, can be deemed not to be a contribution, and if there is any impact or effect on OPSEU that you are aware of?

Mr. Gareth Jones: I guess my viewpoint on that would be that a contribution is a contribution, and transparency should be the goal.

Mr. Randy Hillier: There shouldn't be exemptions?

Mr. Gareth Jones: No, I don't believe there should be.

Mr. Randy Hillier: No? Okay.

Just to finish off: If you ever want to come out golfing to Perth, it's only 30 bucks, and I'll be glad to go with you—30 bucks; it includes the cart.

The Chair (Mr. Grant Crack): No meal.

Thank you very much. We appreciate you coming before committee, Mr. Jones. We appreciate your comments this morning.

Mr. Gareth Jones: Thank you.

OTTAWA AND DISTRICT LABOUR COUNCIL

The Chair (Mr. Grant Crack): Next we have on the agenda, from the Ottawa and District Labour Council, Mr. Sean McKenny. He is the president with us this morning. We welcome you, sir. How are you today?

Mr. Sean McKenny: I'm good. How are you?

The Chair (Mr. Grant Crack): Never better; thank you very much. You have up to 10 minutes for your presentation, followed by 15 minutes of questioning from the parties. Welcome. The floor is yours.

Mr. Sean McKenny: Okay, thank you.

Good morning. The Ottawa and District Labour Council is one of the oldest and largest labour councils of the approximately 110 labour councils across the country. Our history in Ottawa dates back to the year 1872. With over 90 union locals and a membership of over 50,000 working men and women in the city of Ottawa, we are the largest democratic and popular organization here. Our membership includes OPSEU, CUPE, USW, ATU, COPE, CUPW, carpenters, ACTRA, SEIU, the machinists, PSAC, UFCW, Unifor—and the list goes on. I would like to thank the committee for the opportunity to present this morning.

A review of our electoral system is vital in order to ensure that the structure is a fair one, an equitable one and one that is truly democratic. Workers today are much more keenly aware of government policy, legislation and electoral politics than workers of yesterday. In my role as the full-time president of the labour council and 35 years active within the trade union movement, I know this to be so, and of that there is no doubt.

It continues to be incredibly frustrating for some of us that there appears not to be a distinction drawn between a union and a corporation. Policies, rules and legislation are enacted with the two in mind, yet the two are so very different.

Unions play a pivotal role in a democratic society. Its focus—whether that be social, political or economic—has been enshrined by legal commentators as well as the Supreme Court of Canada. The 1991 Lavigne decision of the Supreme Court of Canada recognized the importance and legitimacy of trade unions in engaging in political and advocacy activities. In speaking for the majority, Justice La Forest wrote, "Unions' decisions to involve themselves in politics by supporting particular causes, candidates or parties stem from a recognition of the expansive character of the interests of labour and a perception of collective bargaining as a process which is meant to foster more than mere economic gain for workers."

Whether focusing on issues related to health care or education, hydro or carding, unions don't solely speak on the needs or wants of one but those of many, including the many who do not have the benefit of a union.

We only need to look back a few weeks ago, when Canada's Minister of Finance announced long-awaited changes to the Canada Pension Plan—a plan that will see an enhanced CPP, thereby helping to ensure the many of our seniors who do not have a workplace pension are at least provided some dignity. It was the labour movement who were front and centre for many years attempting to convince federal and provincial legislators that an enhanced CPP was in the best interests of all Canadians—"all Canadians" meaning those who are members of unions as well as those who aren't. This was not self-interest. This was not for personal profit or gain.

The whole of the reason we're here today and at this juncture is the idea or the perception of personal or monetary gain—corporations that may have profited or benefited, depending on what was contributed to a candidate or to a party. Big money can mean, and certainly creates a perception, that there is easier access to a decision-maker. Some of the changes proposed in Bill 201, although not completely, will help to control that from happening and/or the perception of it from taking place.

Two specific issues that don't appear to be addressed in Bill 201 but that should be, could be: one, the idea that a sitting government can pour millions of dollars into advertising right before an election, all in the name of impressing upon the general public, the voting public, what a swell job they've done, with the reality being, it is

nothing more than campaigning. Campaigning for office using public dollars—lost upon some of the electorate—is a smoke-and-mirrors attempt to garner support. That all government advertising cease six months prior to an election ensures fairness within a complicated system.

Another area that needs to be addressed is the elephant in the room, so to speak. It's difficult, and it challenges all of us because we do live in a democratic country, province and society where free speech must always be allowed, where open and free communication becomes a part of that democracy. Through social media such as Facebook and Twitter, Snapchat, Instagram and others, we use that communication, as an interested and opinionated public, to put our views and opinions forward. That's good. That's healthy. That's balance. Our press, our news media is important. Its freedoms are paramount to our democracy. Yet a news industry—inclusive of print, television and radio—owned by a few whose power and strength during elections in the arena of public opinion, and its influence, cannot be ignored. So if those freedoms are expected to continue, what of communication put out by unions in newsletters and the like, communicating with our membership about issues that are important to working people?

I stated during the beginning of my submission that the Ottawa and District Labour Council is the largest popular and democratic organization in the city. I think it was OPSEU president Smokey Thomas—and you just heard from Gareth, of course—who said it best when he said, “Democratic organizations should not be barred from communicating about politics any more than news organizations should be. Both are vital to the functioning of political life in this province. They should be encouraged, not repressed.”

Whatever the final recommendations are, the steps and initiatives taken and moved forward by this committee and this government must level the playing field. There is opportunity, but that opportunity must also create equality, not among a select few, but amongst all of us in the province.

The Chair (Mr. Grant Crack): Thank you very much. Is the opposition ready? Ms. Hoggarth had her hand up first.

Ms. Ann Hoggarth: Thank you for your presentation, from one union member to another. Bill 201 attempts to level the playing field by banning corporate and union donations. I do agree with a lot that you say about union democracy. As a head of a union, I know that we voted on everything. That's the way it worked.

What is your organization's position on the ban on corporate and union donations? There is no corresponding ban in Bill 201 that bans corporate and union contributions to third parties. Should we ban corporate and union donations to third parties as well? If not, should there be a limit, and, if so, what amount?

Mr. Sean McKenny: Boy, that's a lot.

Ms. Ann Hoggarth: I know.

Mr. Sean McKenny: Wow. You may have to repeat some of that.

Let me go back to the first point about banning union and corporate donations. At the close, I talked about equality and the importance of equality and the importance of things being that way across the province. The fact of the matter is simplistic, in that a union is not a corporation. However, history defines us as stepping back when we have to. So in this particular instance, to ensure fairness, that's something that our organization would not object to, although, again, I think personally I see a significant difference in the two. One is on behalf of its membership in respect to those donations; the other is for profit.

1030

To answer the first question, in order to be fair, I think the corporations most assuredly have to—the banning of donations should certainly happen there. In order to ensure that that occurs, then I think unions in principle are willing to do the same.

Ms. Ann Hoggarth: Okay. The next part was, should we ban corporate and union donations to third parties?

Mr. Sean McKenny: Again, I think the important part of third-party advertising is a union's ability to get a message out. It's difficult. You can't lump all of it together. There's a difference. A union speaks on behalf of its membership. You've heard others talk about the importance of a health care system and the importance of education. We're the ones that speak out about that if there are cuts. It's the unions, and the unions that are associated with those respective sectors, that do that. So I'm not opposed to third-party advertising or to donations towards third-party advertising by unions.

Ms. Ann Hoggarth: Okay. Thank you.

The Chair (Mr. Grant Crack): Mr. Fraser.

Mr. John Fraser: Just very quickly, I want to follow on in that, Sean. And thank you very much for your presentation. On the third-party piece, I just want to be clear: You think there should be no restriction on third-party. One of the things that I had an opportunity to ask a few of the previous presenters is this: When we start to restrict on one side, there's a chance that you'll get a proxy on the other side. That money will go from being in the political process to being in the third-party process, which means that if you don't—what's the line between advocacy and partisanship? Because you run the risk of all that money flowing over there and then having—I don't want to say “unregulated,” but a bit of the Wild West.

I use the example of coal. The coal guys or coal people get together and they say, “We have \$4 million to tell people that burning coal is good. So we're going to spend that in the six months before the election.” Maybe it's not a good way of spending money, but you can think of other examples where people are looking—not just from the corporate side; the union side as well—after the interests specific to their organization. There would be an unfettered ability to influence. What I heard from you is, you're not worried about that.

Mr. Sean McKenny: No, it's not what I said. Again, one of the difficulties here for you as a committee is to

try and decipher a lot of that. What I did say was that when a union does speak out on an issue, it's doing so on behalf of its membership; it's doing so on behalf of workers in general. On that part, you have to be careful because you can't stop that, because that's just not fair and that's not democratic.

Mr. John Fraser: I agree, but the point I'm trying to make or ask is, are you concerned with any risk in there at all?

Mr. Sean McKenny: I think there are a lot of concerns that I have about a lot that's contained in Bill 201, but a lot of confidence in this committee that when recommendations go forward and the government does vote, the appropriate decision is going to be made.

Mr. John Fraser: Thanks.

The Chair (Mr. Grant Crack): Mr. Hillier?

Mr. Randy Hillier: Thank you, Sean, for being here today. A couple of things: First off, have you looked at the bill in the light of disclosure, and are you satisfied or not with the lack of changes to disclosure in that regard?

Mr. Sean McKenny: Give me an example.

Mr. Randy Hillier: The disclosure of who is providing contributions and who is providing goods and services to whatever political campaigns or even on third-party advertising—or third-party advocacy.

Mr. Sean McKenny: You know, again, I think it—am I concerned? I have full confidence in the committee that they're going to flush a lot of this out. I think we have to get away from things that are not apparent. I think we have to ensure—the committee members have to ensure—that there is more transparency. If that involves identifying those individuals who are making those contributions towards the process, then that should be done.

Mr. Randy Hillier: So you're in favour of that openness and transparency.

Just one other comment: Correct me if I'm wrong, but it sounded to me that you're very much in favour of fewer restrictions on third-party advocacy—I don't think that's a mistake—for unions because they're democratic organizations. Is that—

Mr. Sean McKenny: You know, Mr. Hillier, it's no secret that you're not a big fan of unions.

Mr. Randy Hillier: No, I'm just asking a question. Actually, I was a member of a few unions, so—

Mr. Sean McKenny: Yes. Mr. Baird was the son of a very strong union member; it doesn't mean that he was any better in our books.

Yes, I think the transparency piece is important. I think that the more we're transparent, the more people are going to come out and vote. That should be part of the purpose of this. The difficult thing, even as we talk here, whether it's the people who are going to present to you today or in Hamilton or in Toronto or wherever else you're going to be, is that we have to, and that the role of this committee is to, I believe, ensure that more people come out to vote. If providing transparency in respect to the contributors is a way to cause that to happen, then it has to happen.

Mr. Randy Hillier: No, but my question was that there appeared to be a difference in your view about third-party advocacy—that unions should have a greater freedom to be engaged in third-party advocacy than possibly others.

Mr. Sean McKenny: Like who?

Mr. Randy Hillier: Corporations or whoever else.

Mr. Sean McKenny: There's a distinction. There's a difference, and I can read it again if you would like. There's a difference between a union and a corporation. I don't think there's any argument there, and we have the Supreme Court of Canada actually making those statements more than once.

Mr. Randy Hillier: Yes. I just wanted to be clear. Everybody has a view of levelling the playing field. That term has been used. Clearly, different people have different views of what a level playing field is, and that's one of the things that we need to sort out here. But I just wanted that to be clear.

Where I have a distinction with that—for example, you're suggesting that the newspaper guild union should be able to be fully engaged in third-party advocacy, but who they work for ought not to be.

Mr. Sean McKenny: There's so much of a distinction there, right? You have a newspaper that controls what's in the paper, that controls what kind of letters are in the paper, what kind of op-eds are written and in what ways articles, at certain times—and not all; I want to make that very clear. I'm not talking about reporters and I'm not talking about journalists; I'm talking about the owners of those newspapers. That was my reference.

Mr. Randy Hillier: Yes, but they're often union members as well.

Mr. Sean McKenny: The owners of a newspaper, union members? I doubt that.

Mr. Randy Hillier: No, no, we've had lots of unionized members. The Toronto Star is fully unionized.

Mr. Sean McKenny: But the owners themselves are members of a union?

Mr. Randy Hillier: No, no. The owners aren't.

Mr. Sean McKenny: Right.

Mr. Randy Hillier: But the employees—

Mr. Sean McKenny: Oh, absolutely. Our Ottawa Citizen here are strong members. Those individuals who work at the Ottawa Citizen are also affiliated with the Ottawa and District Labour Council as well—a great group of people; no question.

Mr. Randy Hillier: Okay. Thank you.

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: Thank you very much, Sean, for coming in and for sharing your concerns as it relates to Bill 201.

I think you can hear that the challenges we're having primarily, I think, have to do with that six-month pre-writ period around issue advocacy, paired with the very strong upper hand, if you will, of the government and their ability to advertise at will using our money.

I don't know if you know this, but the electoral officer has recommended that the definition of political advertis-

ing proposed in the bill apply only during writ periods and not that six-month period. So we're very hopeful that that actually does get changed, because this is only a first reading, right? So there's an opportunity, and that feedback is valuable to us. I suspect that if it's not removed, there will be a charter challenge because we are ultimately talking about freedom of speech.

Can you give this committee some sense as to how you and your members feel about the government having carte blanche—full access, full funding ability—to advertise pre-writ and even during elections, and what that does to the democratic process and the integrity and the confidence that we have in the democratic process?

Mr. Sean McKenny: I referenced that during the presentation that I made. I think it's wrong. I think that the unfortunate thing is not everybody sees it for what it is, and what it is is campaigning. I'm not suggesting that the general public and a lot of those within the general public are naive or not smart enough to be able to see through what's taking place, which is campaigning. I think that's very clear.

It's a way that a government has to sort of step around some of the policies. That certainly would be a concern that we have with Bill 201. It's a very important piece, so hopefully the committee will take steps to ensure that at least six months prior to the election, that is not allowed to occur.

Ms. Catherine Fife: Are you aware that the electoral officer has also recommended that all third-party political advertising should be regulated for the whole period between elections?

Mr. Sean McKenny: I am aware of that.

Ms. Catherine Fife: Okay. The goal of this committee is to put the electorate at the centre, to instill some confidence back in political financing, but also to get big money out of politics. That's the language that folks are using. What do you think of the contribution rate of \$7,750? Do you think that still ranks as big money?

Mr. Sean McKenny: I'm trying to think of how many of the individuals who are affiliated with the labour council—the membership; the 50,000 working men and women—have \$7,000 to put forward to donate. I can assure you not very many of them do.

Ms. Catherine Fife: Thank you very much.

The Chair (Mr. Grant Crack): Thank you very much. That concludes your time. We thank you very much, Mr. McKenny, for coming before committee this morning and sharing your thoughts.

Mr. Sean McKenny: Thank you.

No golf, Mr. Hillier? I'm not a bad golfer, too.

Mr. Randy Hillier: Oh, anybody can come. I didn't think golfing was in your repertoire, that's all.

The Chair (Mr. Grant Crack): Next on the agenda is Democracy Watch: Mr. Duff Conacher. Is Mr. Conacher with us this morning at this time?

How about Mr. Kory Earle?

How about we take a five- or 10-minute break? We're a bit ahead of schedule, as well, so a 10-minute health break. We are now recessed.

The committee recessed from 1043 to 1054.

The Chair (Mr. Grant Crack): I call the Standing Committee on General Government back to order. Welcome back.

DEMOCRACY WATCH

The Chair (Mr. Grant Crack): Next on the agenda, we have Mr. Duff Conacher. He's the co-founder and chair of the Money in Politics Coalition of Democracy Watch. We welcome you, sir, this morning. You have up to 10 minutes for your presentation, followed by 15 minutes of questioning from the three parties. The floor is yours. Welcome.

Mr. Duff Conacher: Thank you very much for this invitation to appear before the committee on this historic occasion.

Democracy Watch and the Money in Politics Coalition, which is made up of 50 citizen organizations with a total of more than three million members, welcome the opportunity to participate in the policy-making process concerning Bill 201, which finally follows up, from our perspective, on the Ontario Liberals' 2003 election promise to democratize and make democratic changes to the provincial political finance system. Back in 2003, when we were hoping for action, I didn't have to wear these glasses in order to read my submission, but now, 13 years later, I do.

We approve, first of all, of the referral of Bill 201 to the committee after first reading. I have a submission that I will distribute to the Clerk electronically so that you will all have our full thoughts in detail. I'm going to summarize those today, and then I welcome your questions.

Overall, our point is that we hope the committee will make several changes to the bill to ensure it actually democratizes Ontario's provincial political finance system. We also hope that the government will go on to make similar changes to the province-wide municipal law to fully democratize the political finance system at the municipal level as well, of course taking into account the fact that political parties do not exist at the municipal level across the province.

Joined by almost 10,000 Ontarians who have signed a petition in the past few weeks, Democracy Watch and the Money in Politics Coalition approve of some of Bill 201's proposed reforms as follows: (1) the ban on donations and loan guarantees by corporations, unions and other organizations; (2) limits on political party and third-party advertising spending leading up to an election and during the election campaign period; and (3) the registration requirements and limits on donations to nomination race candidates and political party leadership race candidates. We approve of those new elements that are contained in Bill 201, and see them as democratic reforms to the current system.

However, our position is that the bill has significant flaws. I'll just summarize and go through those in summary form, and then I'm happy to answer and provide details during the question period.

First of all, the limit on annual donations by individuals to each party must be lowered to \$100 annually, as it is in Quebec, with an additional \$100 combined total allowed to be donated to each party's riding associations and, during an election year, to each party's election candidates.

To be democratic, a political finance system must uphold the fundamental democratic principle of one person, one vote. Bill 201 violates this principle because it allows individuals to donate amounts that the large majority of voters cannot afford to donate. One person could donate a total of more than \$4,500 annually to each party and its riding associations in between elections, and during election year a total of more than \$7,500 to each party, its riding associations and its candidates.

According to Statistics Canada, the average post-tax income of individuals in Ontario in 2012 was \$35,000 to \$40,000. As a result, the donation limits proposed in Bill 201 are clearly much higher than an average Ontario voter can afford, unless the government believes that average-income Ontarians should, as a top priority, disregard basic housing, food, clothing, etc. needs and spend a significant portion of their after-tax income on political donations. Even if the government compromised and these totals were reduced by approximately 50%, the system would still be far from democratized, as the limits would still be much, much more than an average Ontario voter could afford. Therefore they would still allow wealthy individuals to use money as an undemocratic way to have more say and more influence over parties and politicians, which again violates the fundamental democratic principle of one person, one vote.

To give just one stat from the federal level—and some like the Globe and Mail have said, “Oh, yes, reduce the donation limit and then everything is fine,” and the Toronto Star as well has taken that position somewhat, although the Globe has pushed for the Quebec system.

1100

At the federal level, individual donations in 2014 were limited to \$1,200 per party and another \$1,200 combined total to each party's riding associations. Total donations in 2014, which is the most recent year for which full data is available, to the federal Liberal Party show that 9% of donors gave 40% of the total donated. Those people are obviously wealthy enough to afford the maximum, \$1,200. This is just 9% of donors to the party, not including the riding associations. Nine per cent gave 40% of the total amount donated. That's a system allowing wealthy interests to still use large donations as a means of undemocratic influence over parties.

If you believe in the fundamental democratic principle of one person, one vote, you simply cannot support such a system. Bill 201 essentially proposes the same system. It even allows larger donations, so you'll likely have an even more undemocratic ratio, where you'll have 9% or 10% of donors giving 50% to 60% of the amount to each party. That's not a democratic system.

As well, the high donation limits in Bill 201 will, as Quebec's and Toronto's experiences show clearly, also

facilitate and obscure ongoing large donations from businesses, unions and other organizations, funnelled through their executives and their family members. The Toronto Star did a study recently and found that although corporate and union donations were banned in 2009, big business and other special interest group executives and their families continued to give large amounts to city councillors.

Élections Québec did an audit just looking at 2006 to 2011. Even though corporate and union donations were banned in the late 1970s in Quebec, just in that five-year period, Élections Québec found \$12.8 million in likely illegally funnelled donations. No one has been charged because the donors say, “Oh, I gave the money on my own,” and the business says, “We didn't tell them to give the money,” or the union says, “We didn't tell them to give the money.”

Bill 201 also allows nomination race and election candidates to donate \$5,000 to their own campaign and party leadership candidates to donate \$25,000 to their own campaign. That, again, violates the principle of one person, one vote. Candidates should not be allowed to give more to their campaign than anyone else. It gives an advantage to wealthy candidates.

In 2013, to stop all of this, Quebec lowered its individual donation limit to \$100 annually. That's what should be done in Ontario, as well. Anything less will be an undemocratic charade that will simply obscure, not stop, corrupting, large donations from businesses, unions and other organizations.

Loans must also be prohibited above the donation limit of \$100. But if the parties feel that loans are needed to survive through election periods and have the money needed, then they should come from a public fund and be limited to the average amount donated to a party during the previous two years, so that no party can get a huge loan just to make up for the lack of popular support that they actually have going into an election.

Loans from financial institutions cause conflicts of interest because the provincial government regulates the banks in some ways and the credit unions fully. So loans must be limited, not just donations.

All donations and gifts of money, property, services and volunteer labour must be disclosed. The largest loophole is for volunteer labour. Donations of volunteer labour should be required to be tracked and disclosed—including the identity of the donor's employer and board and executive affiliations—to ensure businesses, unions and other organizations do not attempt to thwart the ban on monetary donations by volunteering their employees to parties and politicians.

Number four change: The base amount of annual per-vote public funding given to parties should be reduced from the proposed \$2.26 down to \$1. Per-vote funding is democratic, but it shouldn't be at such a high level that it encourages parties to make false promises during elections to bait voters and then get their per-vote funding through till the next election, even if they break all those promises and lose that popular support. So it

should be reduced to \$1 per vote. That will force parties to stay in touch with voter concerns in between elections if they want to attract their ongoing support and their donations.

In addition to the per-vote funding, in order to make up the gap that many of you are probably thinking will be there, matching funding for both candidates and parties should be put in place, as in Quebec. Matching funding is a very democratic way to ensure that those with popular support will actually get the funding that they deserve. That should be for both parties and candidates.

Finally, Elections Ontario and the Ontario Integrity Commissioner should be required to conduct annual random audits to ensure all the rules are being followed by everyone. The rules in any law are nice words on paper unless they are properly enforced. As Quebec's experience shows clearly—they finally did an audit in 2011; if they had done one back in the early 1980s, they would have stopped the corrupting donations that happened. They waited until 2011 and finally did it. They looked back five years and found \$12.8 million in likely illegally funnelled donations. Random audits should be required by Elections Ontario and Ontario's Integrity Commissioner on an annual basis.

I welcome your questions. Thank you very much again for this opportunity to present on Bill 201.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Conacher. Mr. Hillier.

Mr. Randy Hillier: Thank you, Mr. Conacher, for being here today. I liked your presentation and I look forward to seeing the complete presentation when you send it over to the committee.

You used some terms regarding volunteer labour, and you mentioned that they need to be tracked and disclosed in an attempt to prevent people from trying to “thwart” the system. That follows up on some comments that former minister John Gerretsen made to the committee yesterday. He used the term “conclave”—that as soon as the legislation is put out, specialized people will go through and have a conclave to find out how to circumvent the legislation. I think that's important for every member on this committee to understand. Parties, just like everybody else, will look at how to take advantage of whatever is written down in legislation.

I want to follow up. You're the first time that we've had anybody at the committee talk about the Integrity Commissioner's role in election financing. You've suggested random audits. Are you aware that under Ontario's existing integrity act, people aren't allowed to lodge a complaint against the actions of a member? Only another member of the Legislature can initiate an investigation.

Mr. Duff Conacher: Yes.

Mr. Randy Hillier: You're aware of that?

Mr. Duff Conacher: At least in terms of the integrity act, yes. Under the lobbying act, anyone can file a complaint. I've experienced that myself recently. Democracy Watch, under my name, filed a complaint about the exclusive private fundraising events going on. The Integ-

riety Commissioner said that he would love to investigate but can't unless a member files the complaint.

Mr. Randy Hillier: This committee, because we're looking at the bill at first reading, is allowed to look at aspects other than what's included in the bill. Does your presentation make any reference to strengthening or making reforms to the integrity act to allow organizations such as yours or individuals who become aware of possible wrongdoing to bring a complaint forward?

Mr. Duff Conacher: Not to the Integrity Commissioner in particular, no. But we certainly support that. We've been calling for that for 15 years now across the country. It's very common across the country that only members can complain about members. Federally, we were allowed to complain until 2007, and then the so-called Federal Accountability Act removed that ability to complain to the federal ethics commissioner.

Mr. Randy Hillier: What about on the lobbying side? This act is fairly quiet on lobbying or making reforms in that regard. But we do know that lobbyists are a keystone in many election financing campaigns. We know that the federal guidelines prevent ministers from fundraising from their stakeholders. Although it's a guideline, it doesn't have any consequences; it's not codified. Does your presentation get into any of—your full presentation. Have you looked at beefing up or reforming the lobbyist side through Bill 201?

1110

Mr. Duff Conacher: If you lower the donation limit to \$100 and you require disclosure—I didn't mention this detail, but our position is also that disclosure should be made of anyone who organizes any fundraising event. Their identity should be in the registry, because that's—the colloquial term is a “bundler.” But if you lower the donation limit to \$100, you even deal with the bundler problem somewhat. If they can get—

Mr. Randy Hillier: If it gets down that low, but there's no—

Mr. Duff Conacher: If it doesn't, then we want to have bundlers' identities disclosed, so you know who they are.

The lobbying act actually says that a lobbyist cannot put a member in a conflict of interest. The gap is actually in the Members' Integrity Act. The Members' Integrity Act allows members to take part in discussions and decisions where they can make a personal profit because of the “general application” loophole. Ninety-nine per cent of the decisions that you take part in and that ministers take part in are decisions that apply generally. Therefore, a minister can own stock in a business that they regulate and make a decision that makes the business more money, and therefore themselves more money, because they would be changing the law that applies not just to one business, but to the whole industry and therefore the act does not even apply. So it really should be called the “almost impossible to be in a conflict of interest” act because of that loophole. Therefore, it's almost impossible for a lobbyist to put a minister in a conflict of interest as well.

Mr. Randy Hillier: It looks like my time is out. Thank you very much.

The Chair (Mr. Grant Crack): Ms. Fife?

Ms. Catherine Fife: Thank you very much, Mr. Conacher.

I'm interested in the matching funding that you were talking about. In your view, or in Democracy Watch's view, is this—speak to both the per-vote funding and then the matching funding, as you proposed. Do you see this as transitional? Do you see it as permanent? Should it be reviewed? This is the first time we've heard about matching funding, so it could be valuable for us.

Mr. Duff Conacher: I think the per-vote funding should be permanent—that's our position—but at a low level, so it just provides a base. What it does is it corrects the imbalance of public funding that parties receive because of our flawed voting system. Usually, one or two parties get more seats than they deserve in the Legislature. Each one of those politicians gets a huge annual budget that they can essentially use to campaign through their constituency office until the next election. That's a huge public-funding subsidy to some parties. Then, other parties don't get the seats they deserve. So the per-vote funding, because it's based on the number of votes you receive, is a proportional representation system of funding, and it balances that out somewhat.

The matching funding is more aimed at the ability of parties to get out there and convince people to give, but it balances things out as well because if you have a system where you get more matching funding for the first, let's say, \$10,000 you raise, then it balances things out even more. If someone could raise \$40,000 because they're supported by wealthy donors, and another person could only raise \$10,000, that's a 4-to-1 ratio. But if you match that first \$10,000 by \$2 per dollar raised, then the person raising \$10,000 would get another \$20,000 and they would end up with \$30,000, and the person raising \$40,000 would get \$20,000 and would end up with \$60,000. So then it's 60 to 30; that's a 2-to-1 ratio; that's better than a 4-to-1 ratio. So that's why the matching funding is a very democratic thing to do because someone who has a lot of popular support, but maybe from lower income voters, will get a boost and be more equal in the end if they're up against a candidate that is supported by wealthy donors.

Ms. Catherine Fife: Okay. Thank you for that. We'll probably follow up with research on that, but—

Mr. Duff Conacher: Yes, and it's in Quebec's system as well. The thing they don't—

Ms. Catherine Fife: You hold up Quebec's system because they went through a lot of similar issues that we're facing here. You hold up Quebec's system as the model for us to—

Mr. Duff Conacher: It's the world-leading system in Democracy Watch's view. The one flaw is that they only give matching funding to candidates up to the first \$800 they raise. The parties get a lot of matching funding; that money should not all go to party headquarters. Candidates should get matching funding as well because

otherwise it's the candidates going to party headquarters saying, "I need some money for my campaign," and that increases the party's centralized control over each candidate. That's not democratic either because they're supposed to represent their voters, not represent the party headquarters.

Ms. Catherine Fife: Okay. On another issue entirely, I thought I would hear more from Democracy Watch on the pre-writ period around issue-based advocacy and the restrictions and the limitations that Bill 201 places on citizens who wish to enter into any sort of advocacy issue, like autism, climate change, natural gas—these issues.

Mr. Duff Conacher: Democracy Watch's position has always been that there should be restrictions on third-party advertising.

Ms. Catherine Fife: I'm not talking about advertising. I'm talking about 10 parents who are fighting for equal access to IBI therapy around autism, for instance.

Mr. Duff Conacher: Well, the only thing restricted is advertising.

Ms. Catherine Fife: It's the money; that's a considerable restriction.

Mr. Duff Conacher: It's a restriction on advertising funding, though. You can hold all the news conferences, issue all the news releases, hold all the events—

Ms. Catherine Fife: But you can't advertise, you can't be vocal against the government, and at the same time, the government has unfettered access to all the advertising that they want. You don't see this as a fundamental issue of democracy?

Mr. Duff Conacher: It's not unfettered. I do disagree with the changes made recently that restricted—

Ms. Catherine Fife: That's very interesting, because the Auditor General said that in 2015 the Government Advertising Act was gutted. That's what the Auditor General, an independent officer of the Legislature, said.

Mr. Duff Conacher: I agree. I don't agree with those changes. The Auditor General can still do a review. I'm just saying I think the "unfettered" is an exaggeration, because the Auditor General's role is still there. But those changes were a huge step backwards, definitely.

Ms. Catherine Fife: I'm still going to use "unfettered." Thank you very much, Chair.

The Chair (Mr. Grant Crack): Thank you. Mr. Dhillon.

Mr. Vic Dhillon: Thank you very much, Mr. Conacher. I'm sure you're aware of the changes at the federal level, since the early 2000s, that the federal government has been making in relation to election financing, such as banning corporate donations and setting limits on donations. Are there any shortcomings of that system? If we were to examine that, how would it help us in improving this legislation?

Mr. Duff Conacher: I gave the one stat, and you'll see in my submission the details about how it breaks down, but yes, the flaw is that it allows wealthy individuals to give much more than an average Canadian voter can afford. So 9% of donors to the Liberal Party in 2014

gave 40% of the money. Those are wealthy people who have more influence over politicians and the party because they're able to give more. That's not a democratic system. It doesn't uphold the fundamental principle of one person, one vote.

The other flaw is that Elections Canada is not required to do a random audit. Elections Canada promised to do an audit back in 2011, and we haven't seen the results yet. I'm assuming they didn't do it. It's just kind of negligent. You can't enforce any law unless you are doing random audits. Police have speed traps for a reason: to catch people who are speeding. Elections Canada is essentially saying, "We have this new donation system"—and especially after witnessing Quebec and the audit there that was released in 2012, looking back from 2006 to 2011, that found \$12.8 million of funnelled donations, one would have thought a watchdog agency at the federal level would say, "I guess we should take a look at the federal level too and see whether there's funnelling going on." They would have to look at it for 2014. For the Liberals, they would have to examine about 6,000 voters—they were the ones who donated 40% of the money—and find out. Just start with them—they're the largest donors—and find out whether maybe they got the money from their business or their union, donated it to the party and it wasn't really their own money and was illegal funnelling.

Those are the two big flaws.

The Quebec system is the world-leading system: \$100 donation limit, per-vote funding—it's a bit too high in Quebec—and matching funding. The one thing they're missing is matching funding for candidates at a significant level.

The federal system is not a democratic system. It's a charade. It's obscuring donations that are continuing, I'm sure, from businesses and unions. If Elections Canada would just do the audit, we would see the details of it, as we have in Quebec.

Mr. Vic Dhillon: Okay. Our committee heard from Professor Pauline Beange—I don't know if I'm pronouncing that right. She stated that the Federal Accountability Act had led to an increase in third-party advertising in Ontario elections. What's your take on that?

Mr. Duff Conacher: The Federal Accountability Act led to an increase?

1120

Mr. Vic Dhillon: An increase. It led to growth in third-party advertising in Ontario elections.

Mr. Duff Conacher: You must mean federal elections. The Federal Accountability Act is a federal law. It wouldn't affect Ontario elections at all.

Mr. Vic Dhillon: Federal elections?

Mr. Duff Conacher: Federal elections. An increase? I'm not sure it would have increased, in that the spending limit didn't increase. The spending limit was established in 2002 and upheld by the Supreme Court of Canada in 2004, so I'm not sure how the accountability act would have increased third-party spending.

The Chair (Mr. Grant Crack): Mr. Fraser, you have one minute.

Mr. John Fraser: Thank you. Just on third-party spending, for every action there's an equal and opposite reaction. I've asked this question, and you must be getting tired of it. The potential for money to go to a proxy—and I know you just said that third-party advertising should be banned, and Ms. Fife was getting at this. What's the line between advocacy and partisanship? Where do you see that line in third-party?

Mr. Duff Conacher: Just to clarify, Democracy Watch's position and the coalition's position is not that third-party advertising should be banned, but just that it should be restricted.

Mr. John Fraser: It should be restricted.

Mr. Duff Conacher: Yes, because if candidates and parties face spending limits, so should third-party advertisers.

The line is not well defined. We haven't had cases yet. Elections Canada has either backed off on people doing issue advertising that may or may not, or they registered and stayed underneath the limit. The test case has not yet happened about what those words mean, as to whether you're sticking just to an issue or you've crossed the line to supporting a party or a candidate. We just don't know where that line would be and what the Supreme Court of Canada would say about it in terms of a violation of charter rights.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Conacher, for coming before committee this morning and sharing your insight.

Mr. Duff Conacher: Thank you again. I'll send the submission to the Clerk, so you'll receive it all electronically. I look forward to seeing the results of your deliberations. Good luck.

The Chair (Mr. Grant Crack): Much appreciated. Thank you very much, sir.

PEOPLE FIRST OF LANARK COUNTY

The Chair (Mr. Grant Crack): Next on the agenda we have, from People First of Lanark County, Mr. Kory Earle, who is the founder. Welcome, Mr. Earle.

Mr. Kory Earle: Thank you.

The Chair (Mr. Grant Crack): How are you today? We welcome you, sir. You have up to 10 minutes for your presentation, followed by 15 minutes of questioning from members of the committee.

Mr. Kory Earle: Perfect. Thank you and good morning, everyone. My name is Kory Earle and I am the founder of People First of Lanark County. Thanks for allowing us to have the opportunity to speak today, because certainly our organization will be affected in this, as someone that provides a viable role for people labelled with a disability.

I wanted to commend our MPP, Randy Hillier, for encouraging me to come forward because technically I wouldn't have been here.

What is People First? Let me just give an oversight, because sometimes it's—we're an autonomous organization. We're not controlled or directed by any organization in this province or across the country. We are non-partisan. We advocate for people labelled with intellectual disabilities. We also educate and create awareness on the challenges people face. And our board 100% is made of people labelled with a disability who actually make decisions.

We've been able to work, of course, with all municipalities in Lanark county. Over the last 10 years we've fought to end picketing in front of people's homes and we were the only successful local chapter to end picketing of the unions. Having said that, we've always had a good working relationship with unions across the board, but we were able to succeed to end bullying.

Our money is strictly fundraised, and we do get \$2,000 a year, of course, from the town of Carleton Place. Given that, one of the things that we do is, while we ask for money throughout the year, we also give it back by holding a free community Christmas Day dinner and the Bunny Run, which over 1,100 people have benefited from.

We are here today to talk about an important issue: an act to amend the election finances. First and foremost, if you're going to have an act, it is my hope that the committee and the government will get it right. First, as a local chapter, we are non-partisan; we are not funded by any corporations. We have concerns with the way things might go. As a local chapter, we simply don't have money to be attending these political events and to meet with the Premier, any member of provincial Parliament or any party leader. Our members are way below the poverty line. Our concern is that organizations that oppose governments won't be able to provide inputs that are so important and might affect those with disabilities. It's time that the government starts working for the people and not for what's good for them.

I've asked many times to meet with the Premier of Ontario and have been directed to the Ministry of Community and Social Services. I must say, the Ministry of Community and Social Services staff do a fine job, and they are certainly making a lot of changes at that level. In fact, I met the Premier when I was on a tour of the museum in Winnipeg, but I couldn't get a meeting here in Ontario. That is a concern for many of our members, who play a viable role in this province and I believe should be treated by any party with respect and dignity here in the province of Ontario. We have issues that need to be dealt with, and I firmly believe that the Premier of the day should give us the same equal opportunity, because at the end of the day, we are doing the groundwork. When we bring stuff up, it is real stories, real lives. We should not be directed to ministry staff all the time.

My question is: We don't have money, so do we matter in this? We can't afford to pay money to meet with the Premier or the leader of any party. Again, our members are, quite frankly, right below the poverty

line—and that's for people with disabilities in general, not just for our organization. Plus, as an organization, we would never jeopardize what we do.

Having an act might disqualify us and put us in a more vulnerable situation. So please put something in place that certainly protects people labelled with a disability. I say "labelled" because we were labelled with a disability.

No party should be influenced by large corporations or big organizations. Small organizations like us should be entitled to meet with any leader of any party, party members etc. At the rate things are, if money buys a meeting, whether it be at an event or one-on-one, then we will simply lose. Each political party should know that people labelled with disabilities do vote, too.

We support an act; it just has to be done right. I'd be more than happy to meet with anyone to talk about the issues that our members face. Let's not rush this act too quickly. This act should be fair.

As someone who watches Queen's Park every day—and I know everyone in here because I watch you at Queen's Park—I am simply concerned about the future of this province. I urge you to remember to not take away the voice of organizations that simply do the best work with zero or little funding. By working together, we certainly can and will achieve so much.

I'll leave it at that. Thank you for listening to our perspective today.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Earle. I appreciate it. I hope I'm one of your favourite MPPs at Queen's Park.

We'll start with Ms. Fife.

Ms. Catherine Fife: I don't have a comment.

The Chair (Mr. Grant Crack): No questions? Okay.

We'll move to the government side. Mr. Fraser.

Mr. John Fraser: Thank you very much, Mr. Earle, for being here today and making your presentation, and for all the work that you do to advocate, not just in the electoral process, but for services for people with intellectual disabilities.

I'll say right off, if you ever want to come and meet with me, just call my office. I'm more than happy to meet with you on any of those issues. I know that you've been a strong advocate with the minister's office, as well, in terms of some of the changes in the 2014 budget.

One of the things that we're talking about here this morning is exactly what concerns you, and that is, when we make a change to how we finance things, it could have a reaction on the other side, where money starts to be spent on the other side, where there's advocacy. That's where the political, partisan work is being done. So how do you separate what's partisan and what's advocacy and make sure that voices like your organization are heard inside that?

That's something that we'll have to grapple with as a committee and as legislators: how to find that right way forward to make sure that people's voices are heard, but that there's relatively equal volume on those voices. Do you have any thoughts about that?

1130

Mr. Kory Earle: I can certainly get back to you on that. It's a question I think you raised earlier as well.

Absolutely. That's why I say we need someone in there, in this act, who protects the vulnerable people as well. The kind of work that we've done—and we've worked with all levels of government, quite frankly. We don't go against them and get political and advertise and all that. What we ask is that we work together, because as I said, we're non-partisan, but at the same time, when there's an act in place, when we've asked for funding over the course of the years, the base thing is we don't support advocacy, so we of course change some of the ways that we do. But you have to justify what advocacy is as well, though—I think that's a first step—and what that will mean. I say a lot of that is to deal with a lot more bigger organizations than we are. We're a lot smaller. Our membership is very small.

Mr. John Fraser: I guess that's the point that I'm trying to make, that your voice is not as big as some of those other organizations are. Right?

Mr. Kory Earle: Absolutely.

Mr. John Fraser: So it's about how you actually ensure that those voices are heard, to whatever extent that we can, because I do believe there is a risk once we impose—and I think it's important that we're doing what we're doing on this side. But we have to recognize that it may be a bit of whack-a-mole: Squish it down here and it pops up there. I think that's the thing that we've got to get to, where your—I know that your organization is heard and you may feel at times, as a lot of organizations do, that your voice isn't heard because you don't get as quick progress on things that you want, but you do have successes, so you can point to those and recognize those. That's the thing that we'll have to grapple with as a committee.

Like I say, any time that you want to discuss an issue or it's something that's important to you, my office is open to you, and that's my responsibility as a member, whether or not you live in my riding. I'll let your member know. I'm sure that he has lots of opportunities to meet with you as well.

Mr. Kory Earle: Absolutely. I appreciate that.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Hillier.

Mr. Randy Hillier: Thank you, Kory, for being here, and thanks for your presentation. I think it's important that the committee hears, and I think what you stated really puts things in perspective for many of us, and that is, people need to feel that they are being heard. You've got to have some level of optimism, some level of confidence that your concerns are legitimate and that they're being heard, not just by others, but being heard by people who can effect change. I think, from listening, there are people hearing but not necessarily the ones who will make or have the authority to effect change.

You did mention you've sent a number of letters and a number of requests to the Premier and you've not been able to do so, but—correct me if I'm wrong or let the

committee know—you were at the United Nations a week or two ago making a presentation at the United Nations.

Mr. Kory Earle: I actually am very proud about that, and thanks to the federal government for sponsoring our organization. We had an opportunity to meet with New Zealand, Africa and all them, just actually a week ago, to talk about issues. I can say Canada is a leader, just not on disability issues, because the United States put up their hand right away and said, "We're a leader."

But I think a lot of people took away what Canada can do and can do better—what kinds of great things. Look, we're all about sharing positive stories as well and success stories, because, quite frankly, there are a lot of success stories in Ontario over the decades. But the United Nations was a great opportunity. I was proud to represent Canada there just a week ago and meet with people.

For the first time ever, there was a committee that dealt with just general public members across countries. Someone labelled with an intellectual disability was running for that committee. They held elections and there were 18 people elected. He campaigned for two years and made history at the United Nations by being the first person labelled with an intellectual disability to get elected to the United Nations. So that's how far we've come. He's from New Zealand—Robert Martin—and I had an opportunity to talk with him and chat with him about how we can collaborate.

But a lot of people actually came up to me and said, "How can we get involved in your organization?" Of course, I always reminded them that I'm from Lanark county, even though they go, "Where's that?" But it's a great opportunity, so absolutely: I think it's something that we all should be proud of. The message is getting out there.

Mr. Randy Hillier: But there is a level of irony here, or at least it gives us pause to reflect and consider that you can be invited to be at the United Nations and you can meet with elected people and others far removed from the jurisdictions and authorities in Lanark county, but have difficulty reaching out and being heard by the people who do represent you in the Legislature.

Mr. Kory Earle: Absolutely. I was talking to the ministry staff of community and social services yesterday, and I said, "I commend the great work you guys are doing, but, as someone who is a taxpayer and as someone who votes, too, I think it's really important that we don't let money get in the way. Simply, people should be able to meet." Any party leader—and I refer to the Premier a lot because I'm talking about the Premier of the day, whoever is Premier of the day. I think it's really, really important. I don't want to go to Queen's Park and have to protest to get our message across. And I don't want something behind closed doors, because anything we do has always been public because I think it's fair for our members to know what's happening, but I also think it's important that the Premier should take an interest in vulnerable people.

Ms. Fife talks about autism and some other—those are big organizations. When you look at us, we're a lot smaller, and that really needs to be taken into account. We certainly didn't get \$333,000 in the budget, so you can tell we're small. I say that with all due respect, because we've worked with all organizations and have the most respect for the work that they're doing. But we have members coming to us going, "We play a valuable role. We want this; we want that in the community."

Mr. Randy Hillier: I do hope, Kory, with Bill 201, that at the end of the day, yourself and other organizations such as People First not only feel more confident that they are being heard but that the legislation is indeed providing greater access for you to be heard by those who are making decisions that affect yourself and others, the people that you represent.

Thank you very much for being at the committee today. Thanks for sharing your thoughts with us. It's very much appreciated.

The Chair (Mr. Grant Crack): On behalf of the committee, thank you, Mr. Earle, for coming this morning. It's much appreciated. Have a wonderful afternoon.

Mr. Kory Earle: Thank you.

The Chair (Mr. Grant Crack): Final business: Mr. Clark?

Mr. Steve Clark: Just in light of Mr. Earle's presentation about voices being heard and the fact that we do have a distinguished member of the media here, our next committee meetings are in Toronto in July, based on presentations. I just want to verify with you, Mr. Chairman, and the Clerk about broadcast capabilities for live-streaming those committees. Are we all confirmed that, when we're in Toronto, we'll meet in the Amethyst Room so that our proceedings can be streamed live? What about the other hearings, as per the order of the House, the southern Ontario swing and the northern swing: Are we going to be able to live-stream those committee hearings as well?

The Chair (Mr. Grant Crack): Madam Clerk?

The Clerk of the Committee (Ms. Sylwia Przewdziecki): The committee can make the request. My understanding is that live streaming from a travelling committee is still in a pilot-testing phase. There was a process pilot during the committee's pre-budget hearings. It's a request that, if the committee wishes to make through the Chair, I can certainly take.

Mr. Steve Clark: Yes. I believe, if the pilot project—and I am aware of the pilot project. I believe that this committee, since it's the only committee travelling this summer, to my knowledge, should be part of that pilot. Those two additional weeks that we're travelling should be live-streamed. I would make that request, with the committee's concurrence.

Mr. Randy Hillier: I agree.

The Clerk of the Committee (Ms. Sylwia Przewdziecki): Now, Mr. Clark, to be clear, my understanding from the pilot is that the stream was limited. It was not

live on the Internet. It went back to some staff in Queen's Park who were testing the feasibility of the broadcast. Again, the committee can certainly make the request, if that's the wish of the committee, and we'll see what we can do.

Mr. Steve Clark: Yes, because there are programs—Periscope. There are a number of programs that we could be utilizing to live-stream the proceedings. I just want all of our options to be reviewed and, in the case of those hearings in southern Ontario and northern Ontario, that we use whatever technology—regardless of what the pilot has been to date, there are a number of programs that we could be utilizing to ensure that our voices are heard.

The Chair (Mr. Grant Crack): As the Clerk has indicated, we will determine whether or not the pilot project is advanced enough that it's able to travel with us. Is there any opposition to that or is there a consensus? It looks like there is some consensus to that. Ms. Fife?

Ms. Catherine Fife: In support of that, I think the pilot project started a full year ago because I remember in budget 2015, we were attempting the live stream. For us, I think it's a basic issue of accessibility and I think that the committee should, through the Chair, very strongly recommend that live streaming be applied for this committee. This is an opportune opportunity.

The Chair (Mr. Grant Crack): I'll work with the Clerk's office to see what we can do to live-stream for future committee meetings as we travel this wonderful province.

Mr. Steve Clark: Ask them what the status of e-petitions is while you're at it.

The Chair (Mr. Grant Crack): Ms. Fife?

Ms. Catherine Fife: I just wanted to follow up Democracy Watch's presentation. I want to thank research for giving us a review of electoral finance reform in Canada. Ontario is included in this but it's mostly focused on the limits around electoral financing. I think if research were able to give us an overview as to how matching funding, as a mechanism of supporting political parties, is operating in the province of Quebec, I'd be very interested in receiving that.

The Chair (Mr. Grant Crack): Mr. Parker.

Mr. Jeff Parker: Ms. Fife, after speaking with our learned CEO, I've also got a couple of other ideas for jurisdictions like New York state. Would you be interested in having those included as well, or just Quebec?

Ms. Catherine Fife: I definitely think that we should have all of that information, yes. Thank you.

Mr. Jeff Parker: Okay.

The Chair (Mr. Grant Crack): Thank you very much.

I do have a couple of announcements after we adjourn, so I will adjourn this meeting and thank everyone for their participation this morning, and to all our presenters. This meeting is adjourned.

The committee adjourned at 1143.

CONTENTS

Tuesday 28 June 2016

Election Finances Statute Law Amendment Act, 2016, Bill 201, Mr. Naqvi / Loi de 2016 modifiant des lois en ce qui concerne le financement électoral, projet de loi 201, M. Naqvi	G-1263
Mr. Alex Cullen	G-1263
Mr. Gareth Jones	G-1271
Ottawa and District Labour Council	G-1275
Mr. Sean McKenny	
Democracy Watch	G-1278
Mr. Duff Conacher	
People First of Lanark County	G-1282
Mr. Kory Earle	

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Also taking part / Autres participants et participantes

Mr. Greg Essensa, Chief Electoral Officer of Ontario

Clerk / Greffière

Ms. Sylwia Przedziecki

Staff / Personnel

Mr. Jeff Parker, research officer,
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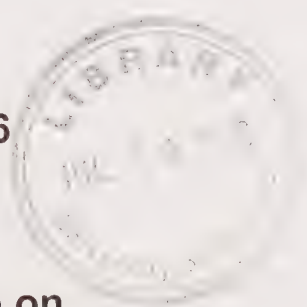
First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Monday 11 July 2016



**Standing Committee on
General Government**

Election Finances Statute Law
Amendment Act, 2016

Journal des débats (Hansard)

Lundi 11 juillet 2016

**Comité permanent des
affaires gouvernementales**

Loi de 2016 modifiant des lois
en ce qui concerne
le financement électoral

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENT

Monday 11 July 2016

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Lundi 11 juillet 2016

*The committee met at 0900 in room 151.*ELECTION FINANCES STATUTE LAW
AMENDMENT ACT, 2016LOI DE 2016 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LE FINANCEMENT ÉLECTORAL

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.

The Chair (Mr. Grant Crack): Good morning, everyone. I'd like to call the Standing Committee on General Government to order. I'd like to welcome all members of the committee—

Mr. Steve Clark: Hello, Chair. Nicely timed.

The Chair (Mr. Grant Crack): Thank you very much—and support staff and all our guests who are going to be appearing this morning. Again, it gives me great pleasure to welcome you back here to room 151. We have a full agenda today.

MR. JEAN-PIERRE KINGSLEY

The Chair (Mr. Grant Crack): It gives me great honour to welcome a gentleman who has roots in Glengarry–Prescott–Russell, Jean-Pierre Kingsley. He was Chief Electoral Officer of Canada from 1990 to 2007.

Just to let you know, you have up to 20 minutes for your presentation, followed by up to 40 minutes of questioning by members of the committee. All members after that, I believe, have 10 minutes for their presentation, followed by 15 minutes of questioning by members of the committee.

Having said that, we welcome you, Mr. Kingsley. You have 20 minutes.

Mr. Jean-Pierre Kingsley: Thank you very much, Mr. Chair. Good morning, everyone. My remarks will take about 10 to 12 minutes at the most. At least, at this time, I think that is what it is. I haven't practised it, but that's what I think.

I wish to express my appreciation to the committee for the opportunity to comment on Bill 201, dealing with money in politics in Ontario.

I've appeared before different bodies and jurisdictions in Canada and other countries, including the US and the UK. However, this is the first time I do so in my home province, so it's with particular pride that I do that. I am from Lowertown Ottawa, born there and raised there, with roots, as you said.

I must commend you, as well, as I did your federal counterparts last week when I appeared before them dealing with electoral reform, for sitting during summer. I know what it is to lead a politician's life. I haven't led it but I was close enough and I know how difficult that is, how burdensome it is, so I commend you for doing that.

Bill 201 is a very good piece of legislation dealing with the toughest nut to crack in all electoral democracies: money—money for campaigns, money for political life between campaigns, for parties, constituencies, associations; the toughest nut to crack.

Established democracies, newly emerging democracies—well, for newly emerging democracies one rarely sees anything about money. For established democracies, the most established ones still are groping with this issue—the UK, France; I mean, you name them. I won't even mention the US. The fact that we in Ontario are doing so is most appreciated.

It is a topic, by the way, on which I'm regularly invited to speak: the Canada experience in political finance, especially the federal one, obviously. Quebec was the first jurisdiction in Canada to establish a thorough political financing regime when René Lévesque was the Premier. He decreed, the government decreed—the Parliament, the Legislative Assembly or the National Assembly of Quebec, I should say—that only individuals residing in Quebec could contribute money up to a reasonable ceiling to political parties and to candidates—not unions, not corporations, not associations and not groupings of people.

The reasoning is simple. Elections are about electors choosing their representatives, not unions choosing their representatives, not corporations choosing their representatives—Canadians choosing their representatives. The constitutional right to vote applies to citizens.

I was the CEO, Chief Electoral Officer, at the federal level when similar legislation was passed by the Chrétien government in the wake of the sponsorship scandal. This is where this started, at the federal level. My office worked closely with the government and with the Department of Justice in the conceptualization and the drafting

of the legislation, and with the committees of both the House of Commons and the Senate, to make sure that everyone understood what it really was all about.

Much of this bill, Bill 201, reflects the provisions that are contained in the Canada Elections Act. I've already dealt with the complete ban on corporate, union and association contributions. I know that your text does not talk about associations, but this is obviously what is meant when only individuals can contribute to political parties, candidates and constituency associations. Those organizations already enjoy ample opportunities to be heard by elected representatives and by the government—the Lobbyists Registration Act attests to that—as does the third-party regime under the elections act, which you are obviously revamping at this time. So that's how corporations, unions and others have more opportunities, because of their importance, to reach out to elected people beyond and over and above elections.

With respect to contribution limits—and I'm talking about different provisions of the bill—one difference with the federal experience relates to the two instances where the federal maximum contribution of \$1,550 is effectively doubled: when it's dealing with more than one candidate of a party, and when it is dealing with more than one constituency association and nomination contestant of a party. This doubling is a provision that does not exist at the federal level. For leadership contests, which allow a candidate to contribute up to \$25,000, which is the same as the federal level—this is to allow, initially, to launch one's campaign—you might wish to consider any surplus in the contributions in that campaign to be applied against the candidate's initial contribution of \$25,000 instead of going to the party at the end. This is not a major point, just a matter that I thought I would raise with you, because \$25,000 is a lot of money, and if there's a surplus, people might wish to consider it fairer, because the normal limit is \$1,550—maybe double for certain instances.

Under Bill 201, the campaign spending limits are being maintained at their existing levels, and I think that is a good thing, because through their elected representatives, through you, Ontarians have said, "We agree that the monies you've put in these initially, for these limits, is enough for you, the political parties, to run your campaign and to get your message out. There's enough money there." This has been borne out through experience. We've had many elections with these limits, and therefore I agree with the bill's provision that they be maintained.

That brings me to the provisions dealing with the significant increase in the ceilings on expenditures during the six months before the launch of an election. This is \$1 million in advertising by political parties and \$600,000 for third parties, including \$24,000 per riding. This will apply for the six months before the launch of a fixed-date election. The first thing to consider is that the money will not be spent evenly over the six months. You're not establishing a monthly ceiling; you're establishing a six-month ceiling. Most of it will be bundled in the last month by most of the intervenors.

This is natural, because the closer you are to the election is when you want to do your advertising, unless you've been involved in a more regular campaign. That, in my mind, makes them quite problematic. The idea that had the six months for the rules to kick in is excellent. We saw what happens when this doesn't occur at the federal level during the last election, where the amounts of monies were more than doubled because the election was officially launched earlier than the 37 days. I've recommended to the federal government that the six-month period apply, which it does not at this time.

0910

So the idea here is excellent, but as for the additional money during those six months to all the intervenors—political parties and third parties; candidates don't exist at that time—I would suggest to you that either one favours granting no money whatsoever and saying the limit that you have for the campaign, which Ontarians have said is enough, applies for the six months before. You want to start campaigning before? Go ahead. You're caught with your ceiling. Or at best, or at worst, double the amounts that apply during an election campaign period, no more than that, so that third parties would wind up having \$200,000 for the whole six months plus 30 days, and political parties would have—instead of the doubling of the amount, the \$1 million would be reduced by five-sixths, which was your intention for a monthly allocation.

With respect to the definition of "collusion," one may wish to add, for greater certainty, that it includes the circumstance where a third party retains or benefits from the services of a person associated with a political party through present or past membership or a contractual arrangement of benefit to him—that that be included, that that be considered collusion immediately. If one demonstrates that, that is collusion. That is in line with a recommendation from my friend and colleague the Chief Electoral Officer of Ontario.

The per-vote subsidy, by the way, which was killed at the federal level—most unfortunately, in my view—constitutes, obviously, from what I've just said, a very positive initiative. Not only will it diminish the significant drop or work against the significant drop or palliate against it in contributions that are above the new ceiling and from banned sources, it will allow parties to count on a regular source of revenue for four years. You, as a political party, will know, "At least I've got this much for each year, for the next four years," assuming one is bound by the legislation, at least the legislation for the four-year phase in which the election takes place.

The parties will then be able to make preparations, to organize for the next campaign and, more importantly, to carry out policy analysis and policy development in accordance with their way of thinking at a planned and sustained level. This is an element which I think was lost by abolishing it at the federal level. The parties then depend on the ebb and flow of contributions coming in because there is no other source at that time.

Now, one comment I would make is that I found no indication, however, of how the \$2.26 for the initial year

per vote was determined. I don't know how it was determined that that would be reduced to what it is. Eventually it will be reduced after four or five years for a review by this or another committee.

As for the public—and I think this is an important consideration—this subsidy, this amount of money, constitutes an investment in the integrity of their elections. We're here because we want to establish and maintain the integrity of our elections. That requires public participation because we're addressing a public concern. The per-vote provision, which is what is tied to the subsidy, reflects the will of the people as expressed at the polls. They're the ones who said that so many votes go to this party. For these two reasons, there is solid reasoning for explaining this to Ontarians.

With respect to the new provisions concerning third parties—the registration of them; the names of the people who are organizers; the name of the third party would be tied to the ad; the reports on contributions, therefore the openness—all of this is most welcome and something that is essential if we're going to have free and fair elections.

I will say one thing—this is, again, a small point but warrants some consideration: Some third parties are not just one union or one corporation. They form themselves in order to attack a particular issue or to favour a particular issue, and they go out and they raise funds. I'm suggesting to you that if this is surplus, because there's a limit on what they can spend, if they pick up more money, then the money should be returned to the contributors pro rata. If I gave \$100 and only \$50 of it was spent because of the ceiling, then \$50 should come back to me from that organization, because it will disappear. Otherwise, what you will have is people creating these organizations and absconding with the funds at the end of them. As I say, it's a small matter to put in a bill, but I think it would have some importance in protecting the public who feel strongly about a particular issue and will contribute to a particular cause.

With respect to the definition of political advertising by third parties, the proposed alternative by the Chief Electoral Officer of Ontario warrants your very serious consideration, as it would apply year-round and require transparency. This is different from the issue-based federal approach, but I would favour it for inclusion in the bill because it is different and it goes a long way towards freedom of expression being respected. But I leave it up to the committee, obviously.

With respect to loans, I've also noted that in the bill you allow financial institutions and individuals to make loans to leadership candidates and so on and so forth. I would suggest to you that you very seriously consider only financial institutions, because what do you do if the loan cannot be repaid to the individual? The maximum contribution is \$1,550. What happens to that person? That dilemma was lived at the federal level. The legislation was not clear; there were no prosecutions. But you have the opportunity to head that off. The one way is not to allow individuals to make loans beyond the \$1,550 that they are able to give during a candidacy.

With respect to volunteer labour, and I know this is an issue that has been raised before, I would recommend that the statute make it clear that there has to be evidence—that for the person who volunteered of his own accord, there's documentary evidence, if there is holiday time, that it is holiday time, that it is not a corporation or a union paying the person's salary while they are doing the work. They would have to demonstrate with documentary evidence that they were on their own time. One has to be very careful about special holiday time during campaigns.

Lastly, I would also recommend that you include travel, research and polling as expenditures that work against the ceiling, as is recommended by the Chief Electoral Officer of Ontario.

Those were my initial comments, Mr. Chair. I'm open to a discussion with the members and with you.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Kingsley. I appreciate your comments.

I'm going to try to equal it out to about 13 minutes apiece. We'll start with Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you, Mr. Kingsley, for your presentation. Your expertise is welcomed at this table. Our government is committed to working with everyone—all parties, stakeholders, experts and Ontarians—to transform the political system so that money is not what controls who is elected.

Our legislation seeks to ensure that more diverse voices will be heard during the election process and before the process by placing limits on how much parties and third-party advertisers can use. It's just a starting point, this bill. We are looking forward to working collaboratively with everyone to strengthen this proposal.

According to a 2015 article on InsideToronto.com, it stated that you supported GreenPAC and, specifically, its goals to implement third-party spending caps and disclosure obligation, in effect at least six months prior to an election, I think. Can you discuss how you believe the proposed legislation addresses this problem and your rationale for supporting limits on third-party and political advertising preceding an election?

0920

Mr. Jean-Pierre Kingsley: As I indicated in my remarks, money is the toughest nut and, as you yourself indicated, money is essential. Let's face it. That's why I agreed that the limits that have been set are okay. This is what you've lived with. That's why I'm saying, is the \$2.26 sufficient? Because if parties don't have enough money, it creates a problem in our system. Democracy is not well served.

The whole idea here was that we had lived through the 2015 general election at the federal level and had seen all of the ceilings more than doubled because the electoral period was set approximately 40 days ahead of the normal amount of time. What I found offensive about that was that the electoral period is supposed to be the electoral period; it's not supposed to be occurring before. What I also found offensive was that it created a lot more money in the system. People who were already planning

on spending a certain amount—parties, candidates—all of a sudden might be facing an opponent, either as a political party or as a candidate, that would have double the chance that they had because they had only picked up enough money to live within the ceiling. So those parties, those candidates that, by whatever means, had more money were favoured because—and I've heard the argument before—it doesn't matter how much you advertise, people advertise because it pays. There's not one car manufacturer that puts out an ad because "I'm a nice guy"—not one of them. And they're not doing it so that they can bring me the latest program. They're doing it to sell me a car. And I recognize this; that does not create a problem for me.

But, as I was also saying to you, the provisions that are in this bill go too far, in terms of the amounts of money. I agree with going back six months. Six months is a good time. I was recommending either four or six; six is good.

I'm also saying that the limits that are set for the official campaign, either they apply for that whole six months as well and you're melding—it becomes a seven-month campaign, end of the issue. Or else, at best, you only take a fraction, one sixth of what is being proposed, and add it to the totals, so that they can spend one sixth of what is proposed in the bill, one sixth of \$1 million, or one sixth of \$600,000 for third parties, and that's what they would be able to spend. I prefer nothing, but that's me. I think the other one would do well because most of it will occur during that last month anyway. As I'm sure, if we were able to tell how political parties spent monies at the federal level, in the campaign—and by third parties—one would see that most of it probably occurred just close to the start of the official campaign.

Ms. Ann Hoggarth: Okay. I know that during your term as the Chief Electoral Officer of Canada, the federal government implemented some of the things that we're talking about: donation limits; banned corporate and union donations. After the changes to the federal laws, do you remember how many individuals donated over the new limits?

Mr. Jean-Pierre Kingsley: I can only think that there were just a very few that donated over the limits once they came in because there were advertising campaigns. Political parties knew what the new limits were and they would not accept a contribution that went beyond that. Some people may have inadvertently given to two candidates without realizing that the ceiling applied. This is where a certain amount of understanding has to come in. You don't expect candidates to be sharing immediately, even within the same party, "These are the people who gave to me." So that may have occurred, but it wasn't a major issue. I don't remember it as a major issue at all.

Ms. Ann Hoggarth: Could you tell me how it compared to the years when there were not changes to the donation rules?

Mr. Jean-Pierre Kingsley: I'm sorry, I'm not getting it. How many—

Ms. Ann Hoggarth: How did that compare to a previous year when there were not changes to the donation rules?

Mr. Jean-Pierre Kingsley: Well, when there were no rules, there was no one exceeding the ceiling, obviously.

Ms. Ann Hoggarth: But it did cut down on—

Mr. Jean-Pierre Kingsley: Oh, it did. You see, what we did—and this is what I meant when I said that we worked with the government and with the parliamentary committees—what Elections Canada did is that we looked at the full electoral cycle and looked at all of the contributions that have come in to candidates and to parties.

All the contributions that exceeded the ceiling proposed by the government: We excluded that from those amounts. The amounts that came from unions and from corporations and from associations: We reduced that as well, because no one is going to be able to give anymore.

We looked at that amount. That's why we wound up with the equivalent of \$1.50 per vote—because we looked at the vote and we said, "This is probably the formula that people will accept. This is what the government was discussing with us." It was \$1.50. The Prime Minister at the time took that to his caucus and the caucus said, "Make it \$1.75." So that's why it was \$1.75 that was set in the legislation.

I don't disagree with that, but I'm saying to you that this is how it was so that the parties could be held relatively harmless. That's why, if I remember correctly, all three major political parties accepted that at the time. I can't swear to that. I don't remember that in detail. But it was the rationale for establishing the amount per vote that was going to come in. It was to hold the political parties harmless to the fullest extent possible.

There was no guarantee. There is no guarantee that someone who has been giving you \$50,000 a year before as an individual will now give you \$1,550. He may feel that it's no longer worth his while. But there was no way that we could know that.

Ms. Ann Hoggarth: My last question is, what proactive communications should parties and Elections Ontario look at to educate voters about the new limits?

Mr. Jean-Pierre Kingsley: Obviously, a lot of it has to come through political parties. At the next election, if the legislation is in place—which it should be—political parties and candidates have a lot of responsibility here.

But also, as Chief Electoral Officer, I remember putting out ads touting the new limits and making sure that people knew. This was 2004, so it was mainly newspapers. There were some television ads, as well. But now that we live, as I said before, at the end of this gizmo and the young people live here, I think that more has to be done to reach out to people through the means that they actually use right now for all ads, whether it's this or anything else dealing with elections or any major changes in the electoral system.

Ms. Ann Hoggarth: Thank you very much.

Mr. Jean-Pierre Kingsley: A pleasure.

The Chair (Mr. Grant Crack): Ms. Wong, you have about five minutes.

Ms. Soo Wong: Five minutes? I've got to talk really fast then. Thank you, Mr. Chair.

Good morning.

Mr. Jean-Pierre Kingsley: Good morning.

Ms. Soo Wong: I know that you have touched upon some of the questions that I would ask in your presentation, Mr. Kingsley, so I want you to elaborate on some of your comments.

As a former Chief Electoral Officer for the federal government, I wanted to hear your opinion with regard to the unions setting out to deal with the campaigns. In your opinion, how do you enforce this? I know that in your comments you talked about the fact that you don't believe that the union should be compensated by the union in terms of working on a campaign. But how do you enforce this?

Mr. Jean-Pierre Kingsley: Well, you wait for the complaints. A candidate or a political party that benefits from labour like that: This becomes known by the opponents. That's where we've got complaints.

We don't set out to do this. We did provide publicity and instructions to different intervenors, which would include unions, but we don't know which ones want to intervene or not and which ones will want to support that.

Frankly, we didn't go out and police this. It's something that came our way when your opponent would complain about you or you would complain about your opponent, because you would see this person or your people would see this person working for another campaign and you would say, "Jeez, that person is so-and-so from that union or so-and-so from this bank." That's how we would then investigate and find out if there is documentary evidence.

We also require documentary evidence, by the way, from political staff. Political parties have political staff and candidates have political staff. We require documentary evidence that this person was actually taking his or her holidays in accordance with the rules, the human resources rules of that office, so that when there was a complaint, that's what we would be looking for. But we did not seek out. Did we look at every campaign? Not at all. Did we look at who's working for this party or that party? Not at all. That's not necessary. There's a good check and balance through you.

0930

Ms. Soo Wong: Time is limited. I have more questions, but I want to focus on the issue of the per-vote allowance.

I wanted to get your opinion with respect to the per-vote allowance piece. As you heard, Ontario is proposing the per-vote allowance at \$2.26 per vote. It's meant to help parties transition to the new fundraising rules. This amount will be reduced by 25% over five years and then reviewed. In your opinion, is this proposal too high or too low, and why?

Mr. Jean-Pierre Kingsley: With respect to the adequacy of the amount, whether it's too high or too low, I

would have to see what kind of exercise was done, because I don't know what that was.

What I find surprising is that the amount is reducing so rapidly. If the \$2.26 is what is warranted, why would one assume that that should fall so rapidly—to I think it's \$1.13 or something like this—after so many years? I'm wondering if the parties are not being squeezed unnecessarily and with great difficulty.

It's not evident that more and more people would want to contribute to you because you now have less leeway in picking up money. It's going to be hard to rationalize that with people and say, "You should give because the unions no longer give. You should give because corporations no longer give." This is a pattern. People give to parties and candidates as a pattern.

I can't comment beyond that about the adequacy of the amount. I saw nothing to justify \$2.26.

Ms. Soo Wong: Okay. Just to further elaborate on your comments, should the per-vote allowance be made permanent or only be temporary?

Mr. Jean-Pierre Kingsley: Oh, I think it should be made permanent. The amount that that should be set at is something that has to be arrived at to equate to what has been taken out of the system. But I think it should be permanent because what I said about what parties need for permanent financing—this is something that is innovative in Canada. It sustains political party life. This is an essential element. Healthy parties are good for democracy.

The Chair (Mr. Grant Crack): Final comment.

Mr. Jean-Pierre Kingsley: Okay. That's it.

Ms. Soo Wong: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We'll move to Ms. Fife.

Ms. Catherine Fife: Thank you very much, Mr. Kingsley, for being here this morning and for sharing your thoughts on Bill 201.

You will know that we're here primarily because a very direct connection was drawn between government policy and folks who were donating to the government, to the Liberal Party. So our work here—the electoral officer has challenged us to put the elector at the centre and to bring forward some rules that will actually instill some confidence back into the electoral process.

To that end, though, we see some major loopholes in this piece of legislation, everything from conflict of interest to disclosure to potential collusion as well. One of our key concerns, which we have heard, is around the imbalance of power. I think that's what we're talking about in going forward and how we have to try to right that balance. This primarily is around the stipulations and the restrictions around issue-based advocacy. Groups that are coming forward who have concerns on autism or environmental issues or wind farms, what have you: This piece of legislation severely restricts those voices and their ability to publicly criticize the government through advertising.

The electoral officer in his report stated, "What separates issue advocacy and political advocacy is a line in the sand drawn on a windy day." That's from a United States

Supreme Court finding on this very difficult issue. He contends, "During an election, it is impossible to make a principled and consistent distinction between what is campaign advertising and what is issue-based advertising."

You had referenced the six-month period prior to an election. The electoral officer has recommended that the definition of political advertising proposed in the bill apply only during writ periods, not during that six-month period prior. In other words, it would not apply prior to a general scheduled election.

He also says that he sees this bill, therefore, as inevitably requiring that Elections Ontario regulate issue advertising. I'm not sure if you are aware of the changes that the government has made on the other side through the Government Advertising Act. In 2015, the Auditor General said that they gutted that act, and we have seen more and more partisan advertising in the province of Ontario.

So you have Bill 201, which potentially would restrict the voices of citizens versus government advertising, which really gives great leeway and flexibility on the definition of "partisan." What do you think? How does that impact the issue of confidence in our electoral system?

Mr. Jean-Pierre Kingsley: I attribute a lot of importance to the right of third parties to participate in the electoral process. There's a lot of importance, in my mind, to third-party advertising, but the limits that were set, the conditions under which they were set—everything was approved by the Supreme Court of Canada. There was a challenge by the National Citizens Coalition that worked its way through the courts, and the Supreme Court said, "These amounts are very good."

In terms of the amount for Ontario, it amounts to about 40%—which is the population of Ontario—of the federal ceiling. In terms of that ceiling, I think that is well protected by the Supreme Court ruling, as it is at the federal level.

I said that what the Chief Electoral Officer of Ontario recommended warranted your serious consideration—because I liked the fact that there's also advertising between elections. There are not going to be controls on the amounts by them, but it will deal with political parties and with leaders, and people will know who's involved. During the electoral period, it's another matter.

I alluded to the fact that the issue-based approach also warrants consideration. It's more difficult, but it is not impossible. This is something the committee will have to weigh.

In terms of government advertising, what happens at the federal level—and I've recommended through the media that what I'm going to say also applies to the six months before a writ—is that government advertising be suspended unless it deals with public health, public security or a time-sensitive announcement; in other words, "You need to apply for this benefit by this date or you're not going to get it." Those were the three main grounds at the federal level where advertising by the government was prohibited by rule, not by law, and this was respected. But I recom-

mended that this also apply to the six months before, and I would recommend the same thing here.

My personal view is that there should not be any government advertising at any time unless it fits one of those three rules. But that's me, and—

Ms. Catherine Fife: So that would be one of your recommendations to this committee?

Mr. Jean-Pierre Kingsley: Well, I would certainly recommend that you consider it seriously.

Ms. Catherine Fife: Manitoba does that, as well. They do not allow any government advertising during an election period.

Mr. Jean-Pierre Kingsley: This would also apply to agencies of the government, by the way.

Ms. Catherine Fife: As it should.

Mr. Jean-Pierre Kingsley: Yes.

Ms. Catherine Fife: Just to clarify: The electoral officer recommended to this committee around three policy objectives—and that's really to respect and level the playing field, which I don't think this act does right now, and that's to strike a balance between the competing concerns of freedom of speech and electoral equality. That's sort of where we're going.

This is only at first reading, so we have the ability to amend this piece of legislation extensively and, certainly, we're going to try, but it is a majority Liberal government. We're going to do our best, though, to respect the voices that we hear throughout the committee.

One of the key pieces for us, which was touched on, is the monitoring and oversight of any legislative changes that we do make. Part of that process relies on disclosure of donations. We haven't heard too much about this, but as you know, the new donation cap is \$7,750 in an election year, with \$6,200 of that going to candidates if there's a by-election, and constituency associations or nomination campaigns.

0940

The issue is that, for that \$7,750 contribution, we're sort of trying to get to the point of, what would the real-time disclosure be? Perhaps we could learn from the federal government, because I think it's important for us to track very closely which corporations and which unions are meeting with cabinet ministers, for instance, and how much they have donated. So can you speak to the importance of disclosure, particularly around the issue of real-time?

Mr. Jean-Pierre Kingsley: Okay. I will reiterate what I said during my presentation: You've effectively doubled the maximum that exists under the federal statute by making it \$7,000-whatever and by including different bodies. I won't repeat what I said.

With respect to disclosure, what you will learn from the federal government, unless things have changed, is that disclosure is late on contributions. We should have a quasi-daily disclosure during electoral periods. We could have very tight, cyclical disclosure. I would almost say this with regret, but this is not hard to achieve. Just put it on the Web as it comes in. Obviously, it requires changes to the statute, but this would be helpful for people to

understand what is happening in the game, because then they could relate the information, as you say, coming out of the Lobbyists Registration Act, if that information is being put out rapidly as well. You're reviewing the Lobbyists Registration Act, so it's good that you might consider doing that at the same time. Make both quasi-instantaneous. This is something where the Americans do excel, by the way—probably the only place.

Ms. Catherine Fife: Is that the only good place—

Mr. Jean-Pierre Kingsley: That's about it.

Ms. Catherine Fife: The other issue, of course, is the amount. There is, without exception—including former cabinet minister John Gerretsen, who came to this committee. He reported that the levels for contribution that are outlined in Bill 201 are very high. Like, \$1,550 is still a lot of money to a lot of Ontarians to contribute to a political party. As I indicated, in any given year it could potentially be \$7,750. Would you contend that that's still big money?

Mr. Jean-Pierre Kingsley: I've alluded to the fact that \$7,000 sounds excessive to me.

Ms. Catherine Fife: It sounds excessive.

Mr. Jean-Pierre Kingsley: Yes. The amount, though, of \$1,550 does not sound excessive to me, because in my mind the test here is, does this buy particular access to a party or to a candidate?

Ms. Catherine Fife: And you don't think it does?

Mr. Jean-Pierre Kingsley: I don't think \$1,500 does, not when you have a whole slew of people donating \$1,500. I thought it did when you could give \$50,000. If I were a candidate or a party, that caught my eye, but not \$1,500. I know Quebec has gone with \$100, and you say to yourself, well, they've had to supplement this with a lot more public funding.

Ms. Catherine Fife: Well, we're sort of following in the footsteps of Quebec. There's a reason why this committee is meeting. Quebec had many issues around money for access to governments that was directly tied to infrastructure and construction contracts. We did actually ask research at the last committee to look at Quebec's political contributions, particularly around the matching funding for political contributions. Do you want to comment on that?

I have to tell you that most of the citizens who have come here have said to us that \$1,550 is a lot of money, and the average contribution in Ontario is \$300, so why set the bar so high? And they have strong opinions on the per-vote subsidy as well.

Matching funding: Do you want to comment on Quebec's model? We just got a research study on it.

Mr. Jean-Pierre Kingsley: A significant part of the Quebec problem was not only related to the graft aspects, but was also related to the fact that lawyer firms, contractor firms and associations were contributing by—"lending names" is what the scandal was called in French: "prête-nom." If that had been controlled, if it had been possible to control that—and I think it is possible to control that. Then you may not need to go as far as they went to solve that particular issue. That's my view.

Ms. Catherine Fife: Okay. Thanks very much.

The Chair (Mr. Grant Crack): Mr. Clark?

Mr. Steve Clark: Thanks, sir. It's nice to have you here. I appreciate your comments.

I think Mr. Hillier and I have a number of questions that jump around a bit.

One of the things that we received today was from the Information and Privacy Commissioner about that American requirement that makes folks disclose their name, their mailing address, their occupation and their employer for donations of over \$200. There has been some discussion by deputants about our system including at least the name and the employer. I'd like to hear your comments about the American law with that level of detail versus what's happening in Canada.

Mr. Jean-Pierre Kingsley: Well, the American law is difficult to comment on favourably in one sense because there are so many dark—or black—contributions now that you can circumvent those rules so easily. If you don't want to be known, you just find a way to go with the super PACs and you've got it made.

The whole issue here of having a unique identifier beyond the name is with merit. We have to consider that. I'm a little concerned about revealing the name of the employers. There is something a little bit—that would allow us the same amount of certainty but without having to go through the employer. But the advantage of the employer is that you get to that point about whether or not an employer is effectively getting, "How come all of those people who work for that employer are all contributing to one party?" That type of thing. And you can look into that.

So there may be an advantage in having the employer name as a minimum. I haven't thought through—is there another unique identifier that would serve the same purpose and achieve the same objective? I don't know that.

Mr. Steve Clark: One of the reasons why I asked you that is because of your comments regarding the volunteer labour during campaigns, where you talked about documentary evidence. I've spoken to Mr. Essensa about the amount of complaints that his office gets during a writ as opposed to the amount of complaints that they get outside of the writ. I'd like to hear your comments about how we would set up this protocol with associations, employers and lobbyist firms to provide that documentary evidence well in advance. There are groups, corporations, that have people right on the leadership buses of the leaders during an election. It's well known that there are campaign schools that different associations and unions have during an election.

I'd like to hear a little more meat on the bone in terms of what you think should be put in place for that documentary evidence for labour during an election.

Mr. Jean-Pierre Kingsley: Through your comments, you've come up with more than what I was indicating. I view favourably an initial look at what you're saying. Get these firms whose employees are being loaned on their own time—have these firms report that. It's some-

thing I've not thought of but it's something that should be achievable because there are not that many firms that do it. And if there are, then let them reveal it and then we'll know, and then we'll publish that as well so people will know that these employees are all on their own time, but these are the employers. People will be able to draw conclusions about that.

I had not thought of going that far, but I think it's something that can be easily sustained where we want openness and transparency to apply to a regime. It would be an innovation, one which I think I would welcome.

Mr. Steve Clark: Ms. Fife earlier talked about the advertising. Certainly, there is a chorus of voices out there that suggest that the Auditor General should get back her power to review government advertising. Ms. Fife mentioned Manitoba, where I believe it's three months that they ban government advertising other than in some of your categories that you talked about: public safety and public health. I think they include tenders and employment advertising through some of their government agencies. Again, it's been done in other jurisdictions, so I'm very interested in having you comment about that again—that you don't feel that the six months would be a hardship under those circumstances.

Mr. Jean-Pierre Kingsley: I don't think six months would be a hardship because I don't think it should be a hardship at any time during the life of any government, even between elections. I don't think there should be advertising unless it's for public health, public safety or a time-sensitive issue. As I said, that's a personal view relating to how I feel about how my tax dollars are spent. I see no purpose to it—and that applies to agencies of government as well—unless it really serves a public purpose where that knowledge is important for people to possess.

0950

I have no problem, when a building is being built, if there's something that says, "This is being built. It's going to cost so many dollars. It will be finished by this date." That's enough. That's all I need to know. As a matter of fact, I wish they would do that.

Mr. Steve Clark: And on that six-month period, you talked about an interesting proposal that I'd like you to speak about again, about this monthly ceiling over that six-month area. I believe you said at one point that for the campaigns you would double it for the 30 days. Can you just reiterate that proposal? Because it is quite different than other presenters that we've heard so far—the limited amount of presenters we've heard from so far.

Mr. Jean-Pierre Kingsley: What I've said is that Ontarians have said, "This is all the money you need"—and you voted this. "This is the amount of money you need to organize yourself and to run a campaign," as political parties. Okay? "We agree with that. You've done it. We agree with that." Just because it's a fixed-date election campaign doesn't mean you should increase that amount; that's what I'm saying, basically. In order to ensure that, make it that the official start of the campaign remains, but six months before that, you apply the rules, and the rules on the ceilings apply immediately, six months be-

fore the official launch of the campaign. And you keep those amounts.

Now, if people feel at the committee that there should be some additional monies, I'm saying make it one sixth the amounts that the bill proposes. That's all I'm saying. So instead of \$1 million for parties, one sixth is enough you will want to add, because most of the advertising will occur during the last month anyway. But I prefer the zero option so that political parties will have to think it through.

You see, when we authorized—when Parliament or the Legislative Assembly agreed to a fixed-date election, we didn't agree that the amount of money should be increased. We just said we wanted a fixed-date election. It's through the workings of a political party, whatever, the fact that we know when the date is, that we started to say, "Oh, let's spend the money before." I'm saying you should be bound by the same amount that was approved for the 30 days of the campaign or the 37 days of the campaign.

Mr. Randy Hillier: Thank you, Mr. Kingsley, for being here today.

You started off your presentation by recognizing the need and the actions that happened with Quebec, and you mentioned that no groupings, no associations, no corporations and no unions can be involved in political contributions and election financing.

You mentioned that this is a very good bill. However, this bill does apply to unions and corporations, but it still permits groupings and group contributions and associations to be engaged in financing of the election process. That's under section 21, I believe. If not today, maybe some other time we can have a discussion about that section, Mr. Kingsley.

But during your presentation—I think Ms. Fife from the NDP mentioned why we're here, and why we're here is the public exposure to what some might call an abuse of political contributions, or activities that appeared to be distasteful, where ministers were inviting businesses and unions who are under their legislative jurisdiction to private fundraisers with significant admission rates.

You've had some experience at the federal level. We want to make sure that the loopholes and the back doors are closed, that there will not be abuses down the road, as much as possible, and that these seedy or shady or distasteful actions are not enabled.

You've said \$1,500 won't buy access, but, of course, this bill allows much more than that. It also allows, through the group contributions, other activities or other loopholes. But also—and I think my colleague here was going on about the disclosure. Without disclosure—and Elections Canada had this experience itself in the courts, of people, corporations or organizations providing money to individuals. It was still corporate contributions, but organizations providing money to others who would then contribute.

So without full disclosure of the employer or the occupation or some other unique identifiers, the back doors remain with this bill. Would you agree with that, that

those back doors are still there? Although it's not \$1,500, there is a level that maybe would be able to buy access.

Mr. Jean-Pierre Kingsley: Quite rapidly, I agree that the amounts you will have to consider—because you're more than doubling the double at the federal level. You're doubling the doubling at the federal level, from \$1,500 to \$3,200. At a moment in time, you start to say, "Is this gaining access?" Because \$7,000 or more starts to pique your curiosity: Who is this person?

What this is really all about is, because we're a sophisticated democracy, because we are a sophisticated electorate, there comes a time when we say to ourselves that something may not be wrong, that there's nothing going on, but it does not pass the test of credibility with the people. That's why we say to ourselves that we have to address these issues to either eliminate the reality or to eliminate the perception.

Mr. Randy Hillier: What about the practice, if you might comment, in some jurisdictions of preventing those companies and individuals who are engaged in a business relationship—preventing those people or individuals or directors or officers of the company from providing or making political contributions individually? We've seen a lot of discussion on this. I think we need to beef up significantly a number of elements of this bill—but those jurisdictions that say, "Mr. Kingsley, you've got a company, you're engaged with contract work, looking for a wind development project or trying to get a new pharmaceutical listed. You can't provide \$7,700, and if you do, we take you out of the running for that contract."

Mr. Jean-Pierre Kingsley: I think the answer to that, in my view, is through the ceiling and not through preventing someone from contributing because they're in a contractual relationship with any organization. How do you interpret that and why should an individual be prevented from having the right to make a contribution just because of the fact that they're president of a union, for example, or president of a corporation? I don't see that. It's an individual right. But I do see the need to look at that \$7,000 ceiling significantly.

Mr. Randy Hillier: What about the practice—and I know federally they have a guideline that lays this out. Ministers of the crown, under the guideline, are not permitted to fundraise directly from their stakeholders. This bill is absent on that. Any comment on the benefit, the value, the merit of preventing ministers of the crown from purposely—even at \$1,500—targeting their stakeholders for fundraising?

Mr. Jean-Pierre Kingsley: That is not an easy issue, I will grant you. That is not an easy issue to resolve. I'm wondering if the lobbyist legislation should be the one to address this more particularly, more directly, so that you can satisfy Ontarians on that front. I'm not sure that it's the Ontario election act that should prevail in this case.

Mr. Randy Hillier: Okay. Thank you very much.

Mr. Jean-Pierre Kingsley: Thank you.

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The Chair (Mr. Grant Crack): Thank you to all members for staying within the time limit. Mr. Kingsley,

we really appreciated you coming before committee this morning. We wish you all the best, and have a great day.

Mr. Jean-Pierre Kingsley: Thank you. I take your wishes for the best. I enjoy that. Thank you for this opportunity. If I can be of further help, don't hesitate to call.

Le Président (M. Grant Crack): Merci beaucoup.

M. Jean-Pierre Kingsley: Merci.

The Chair (Mr. Grant Crack): À la prochaine.

We have, I believe, a former Chief Electoral Officer of Ontario with us this morning, Mr. John Hollins. We welcome you as well to be here watching the proceedings.

Also, before we move to the next one, I'd like to wish our committee member Vic Dhillon a happy birthday. We'll give you a nice card here.

NONE OF THE ABOVE PARTY

The Chair (Mr. Grant Crack): Next we have on the agenda, from the None of the Above Party, Mr. Greg Vezina. He is the leader and president. We welcome you, sir. How are you today?

Mr. Greg Vezina: Thank you very much, Mr. Chairman.

The Chair (Mr. Grant Crack): Good. According to the orders from the House, you have 10 minutes for your presentation, followed by 15 minutes of questioning from the party members.

Mr. Dhillon, to start, comments?

Mr. Vic Dhillon: No, I just wanted to put my name on the list.

The Chair (Mr. Grant Crack): Very good. Thank you. So again, you have 10 minutes, sir. Welcome.

Mr. Greg Vezina: Thank you very much. Je préfère parler anglais. Mon français n'est pas très bon. I prefer to speak English in this deputation because my French is not very good.

Good morning Mr. Chairman, members of the committee, Chief Electoral Officer and other people present.

I provided the Clerk a copy of a book I wrote in 1993 with John Deverell, former Toronto Star reporter, called, *Democracy, Eh?: A Guide to Voter Action*. This book was endorsed by multiple political parties and leaders from opposite sides: Mike Harris, Julie Davis, Mel Hurtig and Judy Rebick. It was the first political book written in Canada where partisans put aside their partisan beliefs and actually looked at process. Mike Harris's quote was, "Essential reading for anyone who believes that governments no longer serve the people who elect them."

Before we get into the specifics of election finance reform, there is a very important point about the right that Ontario's voters have to decline their ballot. The process for declining your ballot ignores the United Nations International Covenant on Civil and Political Rights, which Canada ratified in 1976, because you must do so publicly at the poll.

Article 25 of the ICCPR gives every citizen the right to vote and the opportunity, without unreasonable restrictions, “To vote and to be elected at genuine periodic elections which shall be by universal and equal suffrage and shall be held by secret ballot, guaranteeing the free expression of the will of the electors;”

But to decline your ballot in Ontario, you must state publicly, “I decline,” when the returning officer hands you your ballot and you turn it back. This means your ballot is not secret; everyone within earshot of the polling station knows you exercised your franchise to not vote, and your right to a secret ballot is lost.

Declined ballots are important enough that they’re counted separately and they count towards the subsidies which mostly go to the major parties. Indeed, if the people who don’t vote went out to vote and declined their ballots, nobody would reach the 15% threshold and get subsidies—very, very few.

In the 2014 Ontario election, 31,399 voters declined their ballots compared to just over 2,000 in 2011. That’s the highest number since it became a legal option in 1975.

None of the Above is a growing worldwide movement that, through various mechanisms, allows voters to protest the status quo and/or vote for candidates they believe truly represent democracy.

In Poland’s 1989 election, voters were allowed to cross out the single candidate’s name on the ballot, often the ruling Communist Party, and they defeated the Prime Minister and dozens of leading Communists.

When people are given a chance to protest, to say they’re upset and that they’d like something different, they show up in droves and they throw out even single-party governments.

In Nevada, the 2014 Democratic gubernatorial primary was won by “none of the above,” out of all candidates. The same thing happened at the Republican primary in 1976.

In 2014, the Supreme Court of India ordered an option of “none of the above” on the ballot based on the United Nations convention for secret ballots. In the first election: 1.1% of the vote.

A NOTA candidate has actually been elected and is serving in Parliament.

In some places, “none of the above” is not a candidate; “none of the above” is a vote for no party and no candidate. In other places, it’s an actual party.

In Ontario, the NOTA Party supports the three Rs of direct democracy:

- citizen-initiated referenda;
- recall or some form of term limits; and
- electoral and legislative reforms to bring about transparency and accountability, including the end of corporate and union contributions and all government partisan advertising.

In our debut election, we received just under 1% of the vote in eight ridings, but 21% of all new votes cast for smaller parties and independents across 107 ridings, and 13% of all new votes cast in the four Mississauga ridings we ran in.

If this bill contains a provision for voters to vote for “none of these candidates,” the None of the Above Party will change its name to something else and allow people a negative option. But there must be one proviso: If “none of the above” wins a riding, then second place doesn’t get appointed; there’s a new election, and no candidate or party that fielded candidates in that election can run in the by-election because they were defeated.

Notwithstanding protestations otherwise, there’s little doubt about the influence of money in politics. The more public funding available and the less corporate and large, wealthy contributors, the more democratic and the less corruption you’ll have.

There have been dozens and dozens of studies. I quote a recent OECD study that studied nine countries and found the same thing. The case studies involved Canada, Chile, Estonia, France, Korea, Mexico, United Kingdom, Brazil and India. It concluded that political finance needs tighter regulation and enforcement and that many economically advanced countries are failing to fully enforce regulations on political party financing and campaign donations or are leaving loopholes that can be exploited by powerful special interest groups. That is the case in this bill, and it has been pointed out. I’ve seen it today.

A similar report by the Australia Institute examined six cases where mining companies made donations to Australia’s major political parties and received favourable legislation for mining projects in the state of Queensland.

Governments in Canada have come to similar conclusions regarding the improper influence of corporate and wealthy donors. There have been changes in federal legislation. Quebec’s response to the findings of the Charbonneau commission was to slash the contribution limit to \$100, establish matching public funds which allocate \$2.50 to the first 20,000 and \$1 for the first 200,000 per party, and cash-for-access events, such as those held in Ontario, are prohibited.

We agree with the Green Party of Ontario’s submission that they like things about the bill, with some revisions. We like some things about the bill. There are some great changes proposed here, and we agree with them on the revisions, certainly, that the legislation should explicitly be clear that paid volunteers are not allowed because that’s a contribution. Any loopholes, as I said, that allow cash-for-access events should be closed. You shouldn’t be able to buy access to politicians. Now, if they want to hold an event and charge you the price of dinner, that’s great. But if it’s the price of dinner plus a political contribution, I don’t think we should do it.

We propose some changes that will deal with some of this. We have our top-10 list. The first is we believe that the maximum personal contribution should be \$1,000. That’s it; no more. That’s 10 times the contribution limit in Quebec. We think the Quebec limit is too low. It prohibits people from participating. So \$1,000 is reasonable.

We’d like to make the tax credits more generous for smaller contributions and less generous for larger contri-

butions. Without going through all the numbers, if you give \$100, you get \$100. If you give \$250, you get \$212.50. If you give \$500, you get \$377. And then if you give more than that, you get very, very little back, so if you give \$750, you only get \$500, and if you give \$1,000, you only get \$85 more. What we want to do is encourage people to make small contributions, in the essence of what we learned from the Bernie Sanders campaign, where he went up against the billionaires and the parties and raised as much money, but raised it through small contributions.

1010

With that in mind, we think that there should be an anonymous contribution that people can make, up to \$100, on their income tax return, and that the parties don't know who they are, so that people can contribute to the political process and not get on a mailing list, not get inundated with fundraisers and not have who they contributed to published on the Internet. A hundred dollars won't buy any corruption but it will buy privacy and it will buy confidence, so we think that that's an important change. I noticed the discussion earlier about a \$200 limit. If you give a hundred bucks, there's no disclosure if you do it on your income tax return. If you give it to the political party, there's a record.

We think that you should match these special contributions by 100%, to a maximum of \$500,000 for a party and \$10,000 for a candidate, which means \$1 million maximum can be raised this way by a party and \$20,000 by candidates.

We believe that all new or previously registered parties or independent candidates should be allowed to pre-register, the same way that existing parties and candidates are, because under the present system, you can pre-register, the writs drop, and you can have an all-party debate with all the other guys before nominations even open. It's not right.

We think parties and each riding association should get \$1,000 every year for the candidate they ran in the previous election because it costs money to operate riding associations and it costs money to sustain yourself. A few thousand dollars per candidate is not too much to ask so that you don't have to go out and beg, borrow and steal to get the money just to exist as a party or as a candidate.

We think the maximum total annual election subsidy for a campaign and these other subsidies should be \$50,000 for candidates and \$2.5 million for parties, and that the per-vote subsidy should also exist and that it should be at the same limits, so the total would be \$5 million and \$100,000 for candidates. The formula should exist that every cent of it can be raised through contributions or rebates. If you can go out and organize yourself enough, you should be able to fund a \$100,000 campaign without personally paying for it.

We think that now that corporate contributions are illegal, the media giving millions of dollars' worth of free television time to some political parties and not others becomes an illegal contribution. The regulators have ig-

nored this in Canada but I can assure you that you're not going to be able to ignore it for much longer.

The 10% and 15% threshold is unconstitutional. It was ruled unconstitutional by the federal government after the major parties in Ottawa rigged the election laws on a Friday afternoon and prorogued the House. They were found unconstitutional.

The Green Party then went to the government of Ontario and said, "Listen, this is unconstitutional federally. Will you please change the rule?" The government said, "No, no, no. You've got to get a lawyer and sue us. We'll see you in the Supreme Court." He did, and he won.

There is something wrong when you have to sue a government to have a law declared unconstitutional provincially when it has already been declared unconstitutional federally. It's, in fact, an abuse of process to make someone sue you to change the rules. You're supposed to comply with the charter, and all legislation, before it's drafted, is supposed to be vetted to comply with the charter.

We think these changes are absolutely necessary because candidates have a section 3 right to run, and voters have a section 3 right to cast an informed vote. No Legislature can overturn those rights. The rights to freedom of the press, freedom of speech or freedom of association, or any rights in section 2 or sections 6 to 15, can be overturned by Parliament, but the right to run and the right to inform voters cannot be overturned by anybody, and they are overturned on a daily basis in Canada.

Our election commissioners go to other countries to implement election and broadcast rules to make them fair and comply with the UN rules—for example, equal time, not equitable—and yet in Canada, we allow abuses that used to only exist in the Communist Party in the USSR.

Finally, I'd like you to know that I've been fighting this battle since 1981, when I was first kept off a debate when I ran in the first election for the Green Party of Canada. We filed complaints federally and we filed complaints in Ontario with the commission on election finances—I'm almost done—and they ignored us. So we went to court.

A new Premier got elected and disbanded the commission on election finances because of bias. The commission was supposed to have a benchner from the Law Society of Upper Canada named. They refused to name one for seven years before that because of bias of the commission, so the commission was gone.

I have a complaint under the Ontario Human Rights Code over the Whitby by-election, where a debate was held with four candidates, two of whom were sitting local council members in the Whitby town hall council chambers. I filed complaints; nobody cares. Well, I can tell you who cares: The courts of Canada care. It's a conflict of interest for a city councillor receiving a salary municipally, running in a provincial election, to receive a contribution from city hall of the benefit of a debate on city property. It's an illegal corporate contribution.

No contributions that promote or oppose a candidate are allowed unless they're given to everybody else and

declared. We allow millions and millions of dollars in free time given by the media only to major parties. All the other rules that you have don't matter a hill of beans, because the most important event in the whole campaign is the debate, and the second most important event in the whole campaign is the nightly news. When the news starts with "The three parties" and "The three leaders" in every newscast, and the CRTC refuses to enforce the balance and fairness requirements and the requirement that broadcasters enhance the political fabric of the nation, we have become a banana republic. Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We're going to start with Mr. Clark.

Mr. Steve Clark: Thanks, sir. I've never heard you speak before, and you're very passionate, to say the least.

Mr. Greg Vezina: Thank you.

Mr. Steve Clark: I've got a lot of questions about many things, but anyway, I'm going to try to stick to one session.

I don't understand how this \$100 anonymous donation works. I'd asked the question earlier of Mr. Kingsley about the American system, where you can basically search name, address, occupation, employer, and I'm not particularly sure how your hundred bucks would work. I could give it to, let's say, my party, the Conservative Party, but I wouldn't have to disclose it?

Mr. Greg Vezina: You can't give it to the party. It's a checkoff on your income tax return.

Mr. Steve Clark: So you just automatically get a \$100 donation and—

Mr. Greg Vezina: If I could answer? On your tax return, it says, "Do you want to make a political contribution?" Yes. "Name the parties that you want it to go to, one or more, or the candidates of the parties, one or more, or to an independent candidate." And you check that off. That data is held by Revenue Canada, and they give the parties a list of the annual contributions they receive, let's say 90 days, at the end of the tax year, but they don't give the parties the name and the address of the contributor. The idea of this is that you can give \$100 to a political party and nobody gets to know.

We had a \$20 limit for cash contributions that hasn't been changed in, what, 28 years, 29 years? Okay. Well, look: It's a hundred bucks, an anonymous contribution, but it's not anonymous to the regulator. It's not anonymous to Revenue Canada. They'll tell you if all the employees of Del Mastro electric gave \$1,000—and you have a problem with this, by the way, stopping people from giving money to employees to then give it to political parties. It's very difficult to get a conviction for breaking that rule. That's why we said the \$1,000 aggregate limit, because if I have 15 employees and I give them each a \$1,000 bonus to make political donations and don't tell them how to make them, that amount of money isn't going to affect an election. And again, you reach a limit. That's sort of my answer.

Mr. Steve Clark: Any comment on government advertising prior to a writ?

Mr. Greg Vezina: Yes. There shouldn't be any government advertising, period. I was very pleased with Premier McGuinty when he changed the advertising rule. It was a beautiful thing—no partisan advertising, no spending taxpayers' money spreading BS of any kind, good or bad. The only time is emergency management or crisis management—you know, there's a flood, there's this or that. That's different. But no, I don't need you to tell me that the pension plan is a great idea if I can jump over a magic bridge.

Mr. Steve Clark: So you support us changing it back to having oversight by the Auditor General?

Mr. Greg Vezina: I actually wanted no oversight, it's not allowed, period, except for emergencies, except for essential services. Because if it's not allowed, we don't have to ask permission, do we? We don't have to sneak around and get under this. "Okay, we'll use pink and green instead of red, because those aren't our colours. But if you look at it in the mirror sideways, folded over, there's the red. You can find it. It's hidden."

1020

Look, I've been in this game as long as many of you have, okay? If there is a way to do what we're not allowed to do, we're going to do it, and that's just the truth, all right?

Mr. Steve Clark: Thanks, Chair.

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: Mr. Vezina, I'm not sure you needed that microphone.

Mr. Greg Vezina: I'm one of nine kids and deaf in one ear.

Ms. Catherine Fife: One of our challenges here is to right some wrongs that are contained within this bill, to instill some confidence back in the electoral system, and that's very much connected to money, obviously.

Mr. Greg Vezina: Yes.

Ms. Catherine Fife: How did you come up with this \$1,000, that that's an acceptable level? You referenced Quebec, which is \$100. We are looking at Quebec as well because of their matching funding for political contributions. You said something about the \$100 wouldn't buy you corruption, but \$100,000 would prevent it. I just want to get a better sense of how you came up with your numbers, sir.

Mr. Greg Vezina: I don't think that we have to go as far as Quebec, and I'm just being honest here. We didn't have Premier Duplessis and we didn't have an inbred culture of corruption for generations in Ontario. That's the reality. The problems in Quebec were ignored to the point where it was so criminal that people went to jail, much like the province of Saskatchewan under the Grant Devine government.

But it's clear from the OECD study and it's clear from other studies that contributions of \$1,000 or less generally do not influence policy, but contributions of much more than that do; they start to. I don't think it's right to tell someone that they can only contribute \$100. For example, if I'm running, as I did in Whitby–Oshawa, and my personal expenses at the end of the campaign have to

be declared as a personal contribution—well, I got myself in trouble in Whitby–Oshawa because at the end of the day, what ended up as my personal contributions were very, very close to the limit, and I almost went over.

If I can only put \$1,000 into the game and I know I can only put \$1,000 into the game, period, start to finish, for me, I know what I'm doing as a candidate. To go raise money, if I can only ask for \$1,000 total over the period or the year and I know you've already been hit up for \$500 for this—we think it's a reasonable enough number that it doesn't too restrict the ability of candidates to raise money, parties to raise money or people to participate in the democratic process.

Ms. Catherine Fife: Thank you for your comments on government advertising. We have heard concerns. People get angry when their money is being spent. This should apply for all parties and all governments going forward, particularly during an election period, wouldn't you say?

Mr. Greg Vezina: The Ontario government violated the Canada Elections Act by doing partisan advertising during the federal election. I filed a complaint with the Chief Electoral Officer.

Ms. Catherine Fife: Did you?

Mr. Greg Vezina: They ignored me. Unfortunately, there is no obligation on the part of the Chief Electoral Officer to deal with a complaint or to deal with an exigency, although in Ontario there is a provision in the Election Act that allows the Chief Electoral Officer in an exigency to make any ruling he chooses, which cannot be appealed to any court. They don't have that right in Russia for the Chief Electoral Officer. We gave it to ours, but he doesn't use it because he can't be compelled to use it.

Ms. Catherine Fife: You referenced the federal election. Are you referring to the money that was spent on the ORPP advertising?

Mr. Greg Vezina: Yes, and it was during the writ period. According to federal legislation, it promoted or opposed a candidate or party, and therefore it becomes a campaign contribution and an expense. The Liberal Party was over the campaign limit and they got around it—and no regulator will do anything about it, by the way, members here who are not from the governing party.

Ms. Catherine Fife: And you filed a complaint?

Mr. Greg Vezina: Yes, and, "Oh, that's not our issue. We don't deal with that."

Ms. Catherine Fife: So there's no place to formally address that?

Mr. Greg Vezina: I'm going to court. I'm on the way.

Ms. Catherine Fife: You're on your way to court?

Mr. Greg Vezina: Oh, no, I've got a human rights complaint over this before the Human Rights Commission and I have legal documents that are going to get served in a few—no, no, this is all—no, I've had enough. I've been doing this for 38 years. Do you know how many times I've appeared before legislative committees? I've actually donated this book to this Legislature seven times.

Ms. Catherine Fife: Well, I'll take a copy. Thank you very much.

Mr. Greg Vezina: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We'll move to the government side. Mr. Dhillon.

Mr. Vic Dhillon: This committee has heard from presenters that Ontario should follow the Quebec donation limit of \$100, with matching public funding. What would this mean for your party?

Mr. Greg Vezina: It's a very good question, thank you. There's a couple of things. Smaller or newer parties can never compete with the major parties. We just can't, right off the bat. That's why we're proposing \$1,000 per candidate that you ran in the previous election and that you can nominate candidates right away for the next election. We propose a regime where there's at least something for a political party to pay a CFO, to rent a mailbox and pay for Internet, that there's some kind of minimum. But to totally tie the funding of small parties to matching contributions—what that doesn't do is ameliorate the discrimination against a charter class. Fringe parties—according to polls, 98% of Ontarians classify fringe parties as a class of citizens. It's covered under the Human Rights Code and it's covered under international law.

Party finance rules under international law do not allow you to favour one party over another, but they do allow you to put in any limits you want. So the answer to your question is, we don't want a regime that's put in place because you think you have to help us. We can help ourselves. We want a regime that allows us to raise enough money to compete if we run in 122 ridings. We don't think the \$100 limit will do it. If you think about what it would take, the reason we used \$1,000 is that there's some magic numbers in here. It takes 5,000 \$100 contributions to reach the \$50,000 limit for candidates. It takes 50,000 to reach it for parties. If your party's got 50,000 contributors, you deserve the matching funding—but only to the maximum point. That's my answer.

Mr. Vic Dhillon: Thank you. The Green Party doesn't have representation in the Legislature but their leader, Mike Schreiner, met with the party leaders. Were you part of that meeting?

Mr. Greg Vezina: We were not invited.

Mr. Vic Dhillon: You were not invited.

Mr. Greg Vezina: We had to sue the Ontario election finances commission to get invited to an election finances commission meeting and we won, but we haven't sued the Ontario Legislature because they haven't let us in to have a say in legislation. Look, it wouldn't be a big deal for when the government did this to invite all the parties. I came anyway and the other party leaders are going to come anyway. But before the bill is even tabled, you don't just invite your friends. And that's what happens, to be honest. All 20 registered, accredited parties should have been invited to make submissions before we got here and then to come back after those submissions were made. I believe that's fair.

Mr. Vic Dhillon: Okay, thank you very much.

Mr. Greg Vezina: Thank you very much.

The Chair (Mr. Grant Crack): Ms. Wong, you have about a minute.

Ms. Soo Wong: A minute. Wow. I'm going to have to speak really fast. Thank you very much for being here today. I just want to get your opinion with regard to the donation limits, especially for independent candidates. As you heard, the proposed Bill 201 sets a limit of \$1,550 to a candidate and a maximum of \$3,100 for all the party's candidates. So, in your opinion, should the proposed limits for independent candidates match those of candidates of parties—a donation limit to \$1,550 for the candidate as well as a maximum of \$3,100 to all independent candidates? Why or why not?

Mr. Greg Vezina: Charter of Rights: Everybody's entitled to equal benefit of the law without discrimination—race, creed, political thought, belief. You can't have a different rule—look, the Supreme Court of Canada said, in Figueroa, that the present political regime we use and the party control of that is not constitutionally protected and that, in fact, challenging it is constitutionally protected. And then we throw up all these barriers to make sure that no independent candidates will get elected, no new parties will get heard, unless you want to run in 35 elections and then you might get a chance. So the answer is that you can't be part equal. We're either going to be fair or we're not going to be. There's my answer.

1030

Ms. Soo Wong: Thank you.

Mr. Greg Vezina: Thank you.

The Chair (Mr. Grant Crack): Thank you very much, and thank you, Mr. Vezina, for coming before committee this morning. I appreciate your comments.

Mr. Greg Vezina: Thank you, Mr. Chairman.

The Chair (Mr. Grant Crack): You're welcome.

MR. LOUIS KAN

The Chair (Mr. Grant Crack): Next on the agenda, we have Mr. Louis Kan. We welcome you, sir.

Mr. Louis Kan: Thank you very much.

The Chair (Mr. Grant Crack): How are you today?

Mr. Louis Kan: I'm doing very well.

The Chair (Mr. Grant Crack): Good. You have up to 10 minutes for your presentation, followed by 15 minutes of questioning from members of the committee. The floor is yours, sir.

Mr. Louis Kan: Thank you very much. Good morning. My name is Louis Kan. Thank you for the opportunity to speak with you this morning about Bill 201.

A little background about myself: I am a chartered accountant who has served as riding president and CFO, as well as campaign CFO, at both the federal and provincial levels. In addition, I worked at Elections Ontario and managed the election finances branch during the 2003 general election. Finally, I spent almost nine years at CPA Ontario, where I led the publication of the Ontario election auditors' guidelines. My comments will be informed by these experiences and will primarily be

focused on the administrative aspects of the bill, so I hope you don't find it too boring.

Overall, I believe that Bill 201 generally strikes a fair balance by making the individual the primary source of political contributions, while putting in place a transitional funding mechanism that cushions the initial shocks to the participants resulting from some of the proposed changes. However, I would like to bring to your attention the following opportunities for improvement.

My first comment relates to the nomination contests and, specifically, to treatment of surplus funds. Currently, subsection 12.1(7) of Bill 201 reads as follows:

“Surplus funds

“Where, after the candidate is selected for the electoral district, there is a surplus in the funds raised for the purposes of the nomination contestant's campaign, the contestant shall pay the funds over to the relevant constituency association, except that if the nomination contestant is selected as the candidate for the electoral district, he or she may pay the funds into his or her depository for contributions as a candidate.”

I see two problems with this. First, it appears that the nomination candidates who are unsuccessful must—and I read “shall” to mean “must”—transfer any surplus to the constituency association, while the successful candidate is not required to. This seems hardly equitable.

Moreover, the successful nomination candidate may pay the surplus funds into his or her depository for contributions as a candidate. This goes against one of the founding principles of our electoral finance system: that one must only contribute one's own funds. Indeed, this requirement is mentioned several times in this bill and the current Election Finances Act. As currently written, the successful nomination candidate may contribute surplus funds that are not or not entirely the candidate's own and, as a contribution, receive a tax credit receipt for it.

My recommendation is to require that all nomination surpluses be transferred to the constituency association and that none are considered contributions. This is simple and provides a clear trail.

My next comment relates to subsection 30(3), “Guarantee as contribution,” which repeals the current subsection 35(8) of the Election Finances Act and reads as follows: “The amount of a guarantee made by a guarantor who is entitled to make a contribution is a contribution for the purposes of this act.”

I have significant concerns with this section. A loan guarantee is a promise by the guarantor to assume the debt obligation of the principal debtor if that debtor defaults. At the time that the loan guarantee is given, one cannot be certain of the likelihood or the amount of any future default and the guarantor is not required to make any payments. To consider the mere granting of a loan guarantee a contribution, which would again entitle the guarantor to a tax credit receipt for the full amount of the guarantee, appears to confer a benefit that is premature. Moreover, to put my accountant's hat on, the accounting for this may be problematic as well.

I therefore recommend that the current subsection 35(8) of the Election Finances Act, "Payment by guarantor as contribution," be retained. Under the current subsection 35(8), the guarantor must make actual payments in respect of a guarantee and waives the right to recover the payment from the principal debtor before the amount paid can be considered a contribution. In my opinion, current subsection 35(8) is one of the best written in the act. If the concern is transparency, I would like to point out that the current campaign financial returns filed with Elections Ontario require the disclosure of the names of any loan guarantors and the amounts of the guarantees.

Next, I would like to speak to subsection 21(1), which deals with group contributions and reads as follows: "Any contribution to a political party, constituency association, nomination contestant, candidate or leadership contestant registered under this act made through any trade union, unincorporated association or organization, except an affiliated political organization in accordance with subsection (3), shall be recorded by the trade union, unincorporated association or organization as to the individual sources and amounts making up the contribution."

This subsection, with wording modifications related to trade unions, repeals subsection 26(1) of the current Election Finances Act. In essence, this subsection allows the initial bundling of contributions by certain groups, such as legal or accounting partnerships or trade unions, but requires that individual sources and amounts making up the total contribution be provided for receipting and disclosure purposes.

I think I can best illustrate my concern with this subsection by putting on my CFO hat. During a campaign, I may receive a large cheque from a partnership. The cheque would be in the name of the partnership, and any fundraising listing would only show the name of that partnership. I may then spend days, sometimes weeks, tracking down the names of the individual partners and the amounts of their contributions in order to issue the individual tax credit receipts and report to Elections Ontario.

The key point I want to make is that this is done after the fact, but the name on the cheque and any possible perceived influence attached to that cheque is that of the partnership or the trade union.

This issue is more pronounced in the case of trade unions since under this bill, trade unions will no longer be allowed to contribute. Allowing group contributions appears to be a case of accepting at the side door what cannot be accepted at the front door. I believe that allowing group contributions goes against the spirit of the bill to limit influence by large entities, and I therefore recommend that subsection 21(1) of this bill and the current subsection 26(1) of the Election Finances Act relating to group contributions be repealed.

Next, I want to touch on an issue that has been brought up by a number of previous presenters, and that is subsection 1.1(b), which continues to exclude as contributions services performed by individuals for political par-

ties, constituency associations, nomination candidates, candidates or leadership contestants while being paid by their employers. Given that this bill proposes to prohibit contributions by unions and corporations, it would appear that allowing 1.1(b) to remain is another case of accepting at the side door what cannot be accepted at the front door, and it circumvents both the contribution and expense limits. Moreover, as this bill proposes to place spending limits on nomination contestants and third parties, the reach and effects of 1.1(b) may grow, creating potential uneven playing fields for even more participants.

To take this one step further, if I were to pose the question of whether the current Election Finances Act allows a corporation or a trade union to hire a group of employees solely to work on a campaign and then to terminate them at the end of the campaign period, the reflexive answer would be no. However, I have not found anything in the act that specifically prohibits this arrangement. I therefore recommend that the committee consider whether retaining subsection 1.1(b) furthers the objectives of limiting corporate and trade union influence, and ensuring a level playing field for all participants.

Finally, I would like to make a general comment regarding our push towards greater transparency and more detailed and near-instantaneous disclosure. That comment is to keep in mind that almost all of the participants in the political process, especially at the constituency levels, are volunteers. I believe it is important to not overburden them with onerous requirements of questionable value that may drive them away from participating in the process.

For example, speaking as a former campaign CFO, the idea, as was suggested at this committee, that there should be almost real-time disclosure of contributions and expenditures during a campaign period would seem to me to add little value and would lead to more mistakes. How does it advance the electoral process to know that a campaign just wrote a cheque for \$400 to Bell Canada or spent \$200 for pizza for its volunteers? I believe a balance must be struck.

1040

In conclusion, my hope is that when this legislation is passed, it will further promote the public interest by ensuring an equal playing field for both the public and the active participants in the political process and that, years from now, when a new campaign or riding CFO is reading the Election Finances Act for the very first time, it will not be readily apparent to him or her what the makeup of the Legislature was or what party was in power when the act was passed.

Thank you very much. I would be pleased to answer any questions you may have.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Kan, for staying almost exactly within the 10 minutes; it's much appreciated.

Mr. Louis Kan: Oh, I practised.

The Chair (Mr. Grant Crack): Good. Congratulations. Ms. Fife will start, to the left.

Ms. Catherine Fife: Thank you very much, Mr. Kan, for coming in today and sharing your unique perspective, especially with your experiences with Elections Ontario on the finance side.

We have to find a place on disclosure, and I'll tell you why. On Friday, when we were here talking about jobs, the finance minister was asked a question in the media studio. He had attended a fundraiser the day before, and the media asked him: Was he, as a minister, directly involved with direct finance stakeholders, for the potential of a conflict of interest?

The example that you gave around primarily volunteers in a constituency working on an election—parties would have to do a lot of training, I think, on that. But parties are committed to doing that, going forward, especially if it's in the law. This is what we're trying to get to: following the money, following the access to power and access to government. Disclosure is a key part of that.

I have asked the Chief Electoral Officer for greater clarity around—for instance, in any given year, that \$7,750, how much of that would be disclosed in real time or close to real time, or a reasonable, open and transparent method? There are jurisdictions that can do it. But you've said that there's very little value to that, and that really surprises me—as an accountant—because when you do follow the money, you do follow, sometimes, the real priorities of a government. Can you please expand a little bit on that?

Mr. Louis Kan: Certainly. Let me distinguish between fundraisers of the sort that you mentioned, in terms of a minister holding a high-ticket fundraiser with their stakeholders: That disclosure is being provided to Elections Ontario, which will put them on the website within a reasonable time, usually within weeks. The problem with, if it's to go through the party, not at the constituency level—at the party level, disclosure for fundraisers of the type that you mentioned will be provided to the Chief Electoral Officer within a number of days and it will be provided on the website. The problem one has with the disclosure, to me, is more about the format: that you cannot, like Mr. Morrow did in the *Globe*, directly tie a particular event to disclosure because the disclosure is in alphabetical order, by dates, and you have to do a lot of digging to find that particular disclosure. To me, that's a matter of format.

My point really comes down to the constituency level, where you are, where I am. If I'm a CFO and I'm in the middle of a campaign, I don't think there's a lot of value to disclose, as one of your previous presenters said, within four days any expenditures or any donations that came in to the campaign for that period.

Ms. Catherine Fife: It's almost like you differentiate between the election period and the rules around donations during an election period, which is very different than the collecting of funds through direct fundraising asks, which are sometimes very much connected to policy stakeholders, be they energy or infrastructure. So you would see different disclosure rules for volunteers

working during an election versus outside of that period of time?

Mr. Louis Kan: Well, right now, constituency associations do not have to disclose in real time—

Ms. Catherine Fife: No, but that's understandable.

Mr. Louis Kan: Yes. So my point with real-time disclosure, in terms of the ones that you're talking about, in terms of ministers and stakeholders: I don't think that you necessarily have to have legislation to deal with that. I believe that the government of the day, with the right political will, can, to coin a phrase, just say, "No, we will not have our minister hold fundraising events for stakeholders."

Ms. Catherine Fife: Well, how do you oversee that? We can have a good piece of legislation here, but if there's no oversight and there's no monitoring—

Mr. Louis Kan: Oh, no, I don't mean that. Disclosure will continue. My point is that I really don't have a big problem with the disclosure regime that's in place right now. I think it's more a matter of formats.

The disclosure of fundraisers is not nice and neat. You can't just say, "We had a fundraiser last Friday. These 15 people showed up. They paid \$1,500 each"—nice and neat. They go in, dump it into Elections Ontario, and it gets disclosed a few weeks later. They don't tease it out and say, "Well, these four people went to this event." You can try to match it by the ticket price. But that's the one issue that I have with disclosure, yes.

Ms. Catherine Fife: Okay. That's good to know. Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to the government side. Ms. Malhi.

Ms. Harinder Malhi: There has been a lot of discussion around setting appropriate donation limits for individuals. Some have suggested that lower donation limits like Quebec's be put in place, whereas others suggest that that has caused a political financing crisis for political parties in Quebec. How do you feel about that?

Mr. Louis Kan: I don't think one can just make a reductionist argument to say that if the limit is lower or higher it will promote a certain type of activity. The reason I say that is that I look around and see in Germany that there are no contribution limits. When I look at Japan, to the best of my knowledge, I believe that the contribution limit is six figures. In France, the limit is considerably higher than what we have in this bill.

I guess the point I want to make is that if you're going to lower the limit, as I said earlier in my presentation, there has to be a compensating system in place to cushion that initial shock, which I think the federal government did over the years.

I guess my answer is that I don't really subscribe to the fact, necessarily, that by changing the limits to a draconian level you are going to eliminate any type of influence, because I think a lot of it goes beyond just the dollars and cents.

Ms. Harinder Malhi: Okay. My second question is around collusion. It has been said that it's really hard to prove the current definition of collusion and to look at

knowledge consented to by third parties in advertisement. What are your thoughts on the current definition of collusion?

Mr. Louis Kan: I think the toughest thing to prove is intent. However, I do think that with the proper tools and the proper definitions, Mr. Essensa and his fine staff will be able to be effective arbiters of that. But again, proving intent is very difficult.

Ms. Harinder Malhi: Okay. Thank you.

The Chair (Mr. Grant Crack): Ms. Hoggarth?

Ms. Ann Hoggarth: Thank you, Mr. Kan, for your presentation. We've heard from presenters who have advocated for the expansion of real-time disclosures, but our committee has also heard from many presenters that Ontario is a leader in Canada when it comes to disclosure of donations to political parties in real time.

What do you think about decreasing the amount of time for real-time disclosure and that it cover candidates and constituency associations? And what kind of impact will that have on the requirements of smaller, volunteer-based riding associations; for instance, of independent candidates?

Mr. Louis Kan: I will build on what I said to Ms. Fife a little bit earlier. There are two pieces to this. The riding association of a party sends the information down to Elections Ontario, and Elections Ontario then puts it on the website. There are two components: the time it takes at the end of a period when we send it to Elections Ontario, and the time it takes Elections Ontario to put it on the website.

During a non-campaign year, I don't find it to be an overly arduous problem because of the fact that now I think most parties, because of the act, have centralized proceedings. To the extent that you can compress the time period and build upon what we talked about earlier, about making it easier to link a particular donation to a particular event, I think that's a good thing.

1050

But during a campaign period, especially at the riding level, I don't know how much that would add. Certainly, to require real-time disclosure—almost real-time disclosure—at a riding level during a campaign would, I submit, be quite onerous to the CFO, especially those of independent candidates, some of whom do not have the experience or the infrastructure to back them up.

Ms. Ann Hoggarth: So you believe that the 10-day requirement that's already in place is good and that it doesn't need to go to constituencies?

Mr. Louis Kan: If you're going to go to constituencies, my suggestion is you do it after the campaign is over and you may consider compressing that, because right now you don't file the CR-1 until several months after. At campaign level you don't have that. If you want to do that, I suggest you do it and set the time after the campaign is over.

Ms. Ann Hoggarth: Thank you, sir.

The Chair (Mr. Grant Crack): Mr. Hillier.

Mr. Randy Hillier: Thank you, Mr. Kan, for being here with a great presentation. I see that you've spent a

lot of time as a chartered accountant, working for the Legislative Assembly, Elections Ontario, the Auditor General, and that you're also a certified fraud examiner. You have that expertise of searching out activities that are less than professional.

I was very interested that you're the first person that I'm aware of who came up about this section 12.1 on the surplus funds from a constituency and nominations and riding associations, so I think that is an important consideration.

I'm also very pleased to see that you've looked into 21(1) on subsection 26(1) of the act and that it appears it will be allowing or permitting at the side door, as you said, what can't be permitted at the front door, of bundling contributions up under a group, an association, a partnership etc.

There was one other part on that group contribution that I saw and maybe you could comment on it. If the individual contributions under the group contribution are less than \$100, then they don't need to be deemed to be a contribution at all.

Mr. Louis Kan: That's only for the goods and services. It's very important to realize that even if I give a dollar, there must be a receipt.

Mr. Randy Hillier: Okay.

Mr. Louis Kan: The \$100 relates to goods and services.

Mr. Randy Hillier: So under this legislation, an association—I used to head up an association of 10,000 people. We would be able to provide goods and services per individual from that association just less than \$100 and then that would not be deemed a contribution.

Mr. Louis Kan: Yes.

Mr. Randy Hillier: It doesn't sound very transparent or accountable, but it has the ability to be highly effective and influential.

Mr. Louis Kan: I'd distinguish between the example you give and 1.1(b), where you're dealing with "employees" working on a campaign while being paid. That, to me, is more of an issue because the issue that you brought up I rarely see.

Mr. Randy Hillier: Oh, I think 1.1 is a bigger one, without a doubt. Do you have any view as to—I didn't hear in your presentation—paid services, paid labour, such as 1.1, where the employer is paying that person's daily wages and providing them to a political campaign. Are you of the view that that should be deemed as a contribution or just to be disclosed?

Mr. Louis Kan: I think a simple way of doing this, the cleanest way of doing this, is to repeal 1.1(b), and I'll tell you why. When you start saying, "Why don't we count it?"—this bill bans union and corporate donations. The very fact that you're providing it is illegal, never mind the fact that you actually have to have an account for it. So if you're going to say, "We're going to ban union and corporate donations," then the cleanest way of doing it is to remove 1.1(b).

Mr. Randy Hillier: Just remove it. Okay.

There's one other thing. You've been involved in this for a while. We've seen it with the reporting from the *Globe and Mail* on this: It's very difficult to directly tie events and contributions and who's doing what to who and when. There are all these portions. We do have the information—all that information is at present sent to Elections Ontario—but it's very difficult to actually find it.

What mechanisms can we put in the legislation, or your thoughts—there is a requirement on Elections Ontario to make it fully disclosed. What else do we have to do to make sure that all the information that Elections Ontario collects is also available for anybody to view, and view it in a format that allows for comparative analysis, let's say?

Mr. Louis Kan: As I was saying earlier to your colleagues, what happens is that the submissions—and Mr. Essensa can correct me if I'm wrong—are submitted and done on a time basis. So let's say every third Friday you get a whole dump of information. That could be a cheque from me and you, it could be a cheque from any individual, plus it could be the results of a watched fundraiser. Right now, you don't know within that time period which one is which. If you can somehow get it to a point where the donation is classified by event versus general donation, you would go a long way towards achieving what you want to achieve.

Mr. Randy Hillier: Okay. I think I'm getting the hook from the referee.

The Chair (Mr. Grant Crack): Two minutes for hooking.

Mr. Randy Hillier: Thank you very much.

Mr. Louis Kan: Thank you very much.

The Chair (Mr. Grant Crack): Thank you, Mr. Kan, for coming before committee this morning. It's much appreciated.

ONTARIO NURSES' ASSOCIATION

The Chair (Mr. Grant Crack): Next, from the Ontario Nurses' Association, we have Vicki McKenna, who is the first vice-president. We also have another guest. I don't have your name; I apologize.

Interjection.

The Chair (Mr. Grant Crack): Oh, it's Mr. Walter, government relations officer. We welcome you both to committee this morning.

Ms. Ann Hoggarth: Chair?

The Chair (Mr. Grant Crack): Ms. Hoggarth.

Ms. Ann Hoggarth: Could I ask that everyone use their microphone, please? Maybe it's just my hearing, but I had a lot of difficulty hearing the last presenter.

The Chair (Mr. Grant Crack): I appreciate your comments, Ms. Hoggarth. Just a reminder to speak into the microphone for the purposes of Hansard, and also the committee members as well.

We welcome you this morning, the both of you. You have up to 10 minutes for your presentation, followed by 15 minutes of questioning from the parties.

Ms. Vicki McKenna: Thank you. Good morning, everyone. My name is Vicki McKenna. I'm a registered nurse and I'm the first vice-president of the Ontario Nurses' Association. With me today is Lawrence Walter. He's ONA's government relations officer.

My background in nursing includes many years of practice as a registered nurse at London Health Sciences Centre and most recently in the day surgery/day medicine units with pediatric and adult populations.

As first vice-president, I am responsible for the political action and professional practice portfolio.

ONA is Canada's largest nursing union. We represent over 62,000 registered nurses and allied health professionals, as well as more than 14,000 nursing student affiliates. We provide care in our hospitals, long-term-care facilities, public health units, the community, clinics and industry.

The standing committee has heard from a number of presenters regarding provisions restricting third-party political advertising that are proposed in Bill 201. In addition, the standing committee has received recommendations from Ontario's Chief Electoral Officer to amend the proposed limitation on third-party political advertising in the pre-election period. Today, I'm going to focus our comments on the proposed restrictions in Bill 201 regarding the definition of political advertising and the spending limitations on third-party advertising in the election and pre-election period.

1100

Bill 201 has a significant impact on third parties in three ways. First, the definition of "political advertising" has been expanded to include "advertising that takes a position on an issue with which a registered party or candidate is associated." Second, the bill sets limits on what a third party may spend on political advertising during the election period. And third, it also sets out limits on spending by a third party on political advertising that includes issue-based advertising in the six-month period before the election.

Let's start with the expansion of the definition of "political advertising" to include an issue with which a registered party or candidate is or may be associated. Registered nurses are unique in that the standards of their nursing practice require them to advocate on behalf of their patients. Such advocacy efforts often require registered nurses, and their union on their behalf, to take positions on issues such as funding for hospitals to clinical services, areas that impact the quality of care patients are able to receive. As an organization representing the interests of our members and the interests of their patients, the expansion in the definition of "political advertising" makes it impossible for ONA to have a significant voice in an election campaign, even if that voice is strictly defined around an issue in the public interest, such as funding for public health care, and is carried out in a non-partisan manner.

If an issue becomes associated with a party, it becomes political advertising and not issue-based advertising in the public interest. Often, the full catalogue of

issues with which a party is associated is not introduced until well into the election period. How such uncertainty could be monitored and regulated by Elections Ontario is, in itself, problematic.

As well, ONA is a non-partisan organization and does not provide political funding to any party. However, we are a political organization in that we advocate for issues in the interest of our members' patients, such as public access to public health care.

The expansion of the definition of "political advertising" in Bill 201 means that our voice on behalf of our members will be severely restricted during both election and pre-election periods, unlike the federal election financing framework that does not have restrictions during the pre-election period.

We agree with the recommendation from Ontario's Chief Electoral Officer that third-party political advertising should not include unintended issue-based advertising between elections. But we also propose greater certainty regarding the definition and the timing of issues that are considered as political advertising during an election period.

Our second concern relates to the spending limits for third parties during the election period. Since Bill 201 is modelled on federal legislation, it's informative to make a comparison to the third-party spending limits at the federal level. Federally, third-party spending limits are higher than what's being proposed in Bill 201 during the election period: \$150,000—or \$208,200 inflation-adjusted—versus \$100,000.

While some commentators have made the argument that Ontario's spending limits should be proportional to the federal spending limits, we submit that the spending limits in Ontario should be no less during an election period, given that the advertising markets in Ontario are the most expensive in the country.

As it is, with the expansion of the definition to potentially include issue-based campaigns, a spending limit of \$150,000, adjusted for inflation, will not allow for any significant advertising in some forums during an election period but will allow for other related activities that may be undertaken with a higher spending limit. We submit that the political advertising spending limit for third parties be increased to match the federal limit of \$150,000, adjusted for inflation, during the election period.

Finally, we turn to our third concern. Of most concern to ONA and our members, Bill 201 restricts third-party political advertising in the six-month period prior to the election, including issue-based advertising, while the corresponding federal law imposes no such restriction. It will be virtually impractical to regulate third-party political advertising in the pre-election period, much of which will be undertaken months in advance of any concrete knowledge of issues with which a party or a candidate may associate.

We agree with this assessment made by Ontario's Chief Electoral Officer. As one example, assuming Ontario elections took place in the summer period, the six-month pre-election period may overlap with issue cam-

paigns related to the Ontario budget. We therefore agree with the recommendation of Ontario's Chief Electoral Officer to exclude restrictions on issue-based advertising and spending limits on political advertising in the pre-election period.

To sum up, registered nurses are bound to advocate on behalf of their patients as part of their standards of clinical practice. This requirement for advocacy means that restrictions on issue-based campaigns in the pre-election period are particularly of concern. However, we also propose higher limits for third-party political advertising during the election period if the definition continues to include issue-based campaigns. We also call for greater clarity related to the definition and timing of issues that may become associated with parties and candidates during an election campaign.

Thank you very much. I look forward to your questions.

The Chair (Mr. Grant Crack): Thank you very much, Ms. McKenna, for your comments.

We'll start with the official opposition. Mr. Steve Clark.

Mr. Steve Clark: Thank you both for coming to committee today.

I noticed that on page 3 of your presentation you talk about ONA being a non-partisan organization that does not provide funding for political parties.

Ms. Vicki McKenna: That's correct.

Mr. Steve Clark: So you haven't been approached by the government on their cash-for-access fundraisers, I take it?

Ms. Vicki McKenna: No.

Mr. Steve Clark: I would like to know, though, about staffing. Have you ever provided staffing during a campaign?

Ms. Vicki McKenna: No, we don't provide any staffing for campaigns.

Mr. Steve Clark: During your campaigns, do you run campaign schools for some of your members?

Ms. Vicki McKenna: Campaign schools?

Mr. Steve Clark: Yes, just to be politically active during an election.

Ms. Vicki McKenna: No, we don't.

Mr. Steve Clark: On page 5, one of the comments you make is asking that the federal limit be provided in Ontario and not pro-rated, because the advertising in Ontario is some of the most expensive in the country.

Ms. Vicki McKenna: Yes.

Mr. Steve Clark: I'm just wondering: In the six months leading up to the 2014 election, give me a ballpark of what ONA spent on advertising and political action in the province.

Ms. Vicki McKenna: Well, remember that a lot of the work that we do—and we do it year-round, not just based around elections or any other period; we campaign on issues that are pertinent at the time and time-sensitive to that moment in real time. So we do a lot of advertising year-round, year in and year out, but I don't know if I can answer your question. Lawrence may know—

Mr. Steve Clark: Okay, but using the \$150,000 figure as an example, would your organization, on an annual basis—

Ms. Vicki McKenna: Exceed that? Yes.

Mr. Steve Clark: You would exceed that every year?

Ms. Vicki McKenna: We would, for our issue-based campaigns. Remember, our campaigns are issue-based.

Mr. Steve Clark: So what would you spend on an issue-based campaign? What's your budget?

Ms. Vicki McKenna: Well, certainly if we were running TV ads, that is, as you know, exorbitant. It's huge amounts.

Mr. Steve Clark: But would your annual budget be half a million dollars?

Ms. Vicki McKenna: It would be somewhat in excess of that if we were running TV campaigns.

Mr. Steve Clark: And would you budget more in an election year? Would you bump it up by a couple of hundred thousand during an election year? I'm just trying to understand how much in funds you would spend based on the document and based on the proposals.

Ms. Vicki McKenna: This amount of money that we're talking about here—the concern for us, of course, is whether it's deemed to be an issue or if it would be deemed to be out of order in the legislation. But issue-based campaigns can run us well in excess of, you know, several hundred thousand dollars if we're running campaigns, and every year we are running campaigns. We have big challenges in our health care system.

If you're talking about before a federal election, we may heighten our issues. Certainly before budget time, we heighten our issues; we want them to be considered by elected officials. And certainly around election times, we want to make awareness for the public of what the issues around nursing are, around nursing care and our health care system. So we would certainly bump it up. Absolutely.

Mr. Steve Clark: In terms of the government, because the government does a lot of health care advertising, what do you think the government should do in the six months leading up to the election?

Ms. Vicki McKenna: We've been thinking about that. The pre-election period is potentially an advantage to the sitting party, absolutely, but there are rules around government advertising, plus the review by the Auditor General.

The sitting party may or may not have an advantage depending on the popularity of their policies, I think, for sure, but in the end there are limits on third-party advertising during the pre-writ period, and there must be corresponding limits on government advertising in this period. Again, it depends on the question of advocacy in the public interest. That's our central point.

Mr. Steve Clark: All right. I'm good for now.

The Chair (Mr. Grant Crack): Thank you very much. We'll start with Mr. Dhillon.

Mr. Vic Dhillon: One of the intentions of Bill 201 is to even the playing field by banning corporate and union donations. What's your organization's position on that?

1110

Ms. Vicki McKenna: We haven't taken a position on that, because we don't do any political donations to parties. We don't do that, so we hadn't taken a position on it.

Mr. Vic Dhillon: Do you think we should ban corporate and union donations to third parties?

Ms. Vicki McKenna: To third parties?

Mr. Vic Dhillon: Yes.

Ms. Vicki McKenna: We do participate in third-party advertising, certainly.

Mr. Vic Dhillon: So you think there should be a ban on that?

Ms. Vicki McKenna: Sorry?

Mr. Vic Dhillon: You think there should be a ban on that?

Ms. Vicki McKenna: A ban on it?

Mr. Vic Dhillon: Yes.

Ms. Vicki McKenna: No, I don't think there should be a ban on it.

Mr. Vic Dhillon: Okay.

The Chair (Mr. Grant Crack): Ms. Hoggarth?

Ms. Ann Hoggarth: Thank you for your presentation. I just want to say, as a former union leader, that what you're saying is true: You're advocating for health care. However, as a member of the teachers' federation, or if I were a member of CUPE, what unions advocate is what will make things better for their members. It's not necessarily just what will make it better for health care.

The issue that teachers used to say is, "Teachers' work conditions are students' learning conditions." I really don't think third-party advertising is as you're saying.

Ms. Vicki McKenna: Well, I'd like—I'll respond to that, too.

Ms. Ann Hoggarth: Are limits on the amount of ads corporations and unions can purchase to influence an election something that you can support?

Ms. Vicki McKenna: Well, first off, on your first issue that you raised, registered nurses, registered practical nurses and nurse practitioners are regulated under the College of Nurses of Ontario. Under those standards, we are required to advocate for health care and advocate on behalf of our patients. Failing to do that is a violation of our professional standards.

I would challenge you, with all due respect, that we do have, as a union that speaks on behalf of regulated health professionals and for those who can't speak for themselves in our membership, who fear retaliation—we do speak out on their behalf and we will continue to because we have a professional obligation to our college, to our regulatory body, to do so. That is our position, for sure, on that issue.

Ms. Ann Hoggarth: So are other professional organizations obligated to do that—

Ms. Vicki McKenna: We take it very seriously.

Ms. Ann Hoggarth: —and run by colleges. However, you do not support the limits on the amounts of ads that corporations or unions could do for third-party advertising?

Ms. Vicki McKenna: What we're talking about is the limits that are set at \$100,000. We believe that that's too

minimal. We believe that we should at least be mirroring the federal limitations that are in place in regard to advertising.

Ms. Ann Hoggarth: Okay. In the by-elections of 2012, we saw that registered third parties were responsible for 61% of all campaign expenses. Do specific by-election rules need to be put in place to further even the playing field?

Ms. Vicki McKenna: I don't know about that. Lawrence, do you have anything you want to add?

Mr. Lawrence Walter: Yes. I think by-elections are no different than elections under Bill 201, so that's how we would look at that. I can tell you that ONA didn't contribute and, as far as I know, has not contributed during a by-election any advertising.

Ms. Ann Hoggarth: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Fife?

Ms. Catherine Fife: Thank you very much for coming in today and raising the issue of issue-based advocacy. As you pointed out in your presentation, registered nurses are bound to advocate on behalf of their patients as part of their standards of clinical practice.

Ms. Vicki McKenna: Right.

Ms. Catherine Fife: You feel that as Bill 201 is crafted, within that six-month pre-writ period, you would be prohibited from following through on what you're called to do based on the college?

Ms. Vicki McKenna: Yes.

Ms. Catherine Fife: Yes. That was very clear, so thank you for that. We're very supportive of changing that, and we're very supportive of the electoral officer's recommendations. We are hopeful that the government changes this. I mean, this piece of legislation is at first reading and so I'm sure that there will be many attempts to amend this piece of legislation and make it stronger.

I am interested, though, because you have raised the issue of pre-writ advertising and issue-based advocacy, and then you've paired it with the direction in which the government has moved with government advertising. We take the position that the Auditor General took as well when, after the Government Advertising Act was amended, she referred to these changes as gutting the restrictions on partisan advertising and said that it would allow the government to run partisan ads. Do you think it's fair, then, to restrict third parties without a similar restriction on partisan government ads?

I just want to give you some context here. We have seen an increase in government partisan ads. The ORPP would be the latest example, which was that they accelerated the spending on the ORPP during the federal election. The auditor said at the time that she would have restricted that acceleration and that extensive spending, actually, on government ads during the federal election, because it benefited one party and disadvantaged another.

Ms. Vicki McKenna: I think that's the issue I was trying to articulate earlier: that certainly the sitting party does have an advantage. We do believe that there should be some consideration, certainly, of the Auditor Gener-

al's opinion on that situation, particularly when others are restricted.

Ms. Catherine Fife: Sure. That's our challenge as a committee, to level the playing field going forward, right? The rules that this committee is challenged to bring into place would and should apply to all future governments.

But paying for access to governments is obviously an issue; it's primarily why we're here today. Although ONA is in a very unique circumstance, in that you don't contribute, do you want to at least weigh in on the levels of donations that are currently within the act? So that's \$7,750 or all the way down to \$1,550. I think it's in ONA's interest, as well, to ensure that big money still does not impact policy. That's what we're trying to get to. Would you like to weigh in, please?

Ms. Vicki McKenna: I understand what you're saying. I'll be very honest with you: We have not taken a position or had discussion about it because it isn't an issue for us, because we don't do direct party donations. So we haven't discussed it, and I am not prepared to give an opinion on that.

Ms. Catherine Fife: Okay, that's fair.

Ms. Vicki McKenna: But I do think the pre-writ period, as you spoke about before, is problematic in the way the legislation is written in regard to advertising. I think it's important that public interests are able to be discussed and raised in public.

Ms. Catherine Fife: Does ONA have any concerns around the pay-for-access to government and perhaps the impact of the privatization of health care? We have seen a trend in this province of the contracting out of nursing services. That agenda does seem to be very much connected to those who have influence and those who have money. Would you like to weigh in on that?

Ms. Vicki McKenna: Certainly the privatization of health care is a very difficult issue for us and our nurses who are working out in the field and see it happening each and every day in a reduction in the services they're able to provide, because the profit sector is picking up dollars that should be directed to the front line. The privatization of health care is very frightening to many and is certainly an issue that we have been raising and talking about for years now and will continue to. That is a very strong advocacy point for us, in that people need to understand that further privatization will leave fewer dollars at the front line and fewer care providers. That's just the simple mathematics of it all.

Ms. Catherine Fife: Exactly. Thank you very much.

The Chair (Mr. Grant Crack): We'd like to thank the both of you for coming before committee this morning and sharing your thoughts.

The next delegation, which was via teleconference, has cancelled, so I would just like to say that we will recess effective immediately and return at 1:30 p.m. We're recessed.

The committee recessed from 1120 to 1330.

The Chair (Mr. Grant Crack): Good afternoon, everyone. Everyone had a good lunch break?

Interjections.

The Chair (Mr. Grant Crack): I hear lots of yeses. That's fantastic.

This afternoon we have five presenters before committee.

COMMUNIST PARTY OF CANADA (ONTARIO)

The Chair (Mr. Grant Crack): We're going to start with the Communist Party of Canada (Ontario). We have Dave McKee, who is the party leader. We welcome you, sir, this afternoon.

Mr. Dave McKee: Here?

The Chair (Mr. Grant Crack): Yes, sir. If you would be so kind as to make sure you're speaking into the microphone. We've had a few issues with that today as far as sound goes. You have up to 10 minutes for your presentation, sir, followed by approximately 15 minutes of questioning and comments from members of the committee. The floor is yours. Welcome.

Mr. Dave McKee: Is the mike—okay, the mike's working. To the members of the standing committee, a broad public consultation on political financing provides the people of Ontario, both individually and through popular movements, with the opportunity to discuss how funding rules relate to broader questions of democracy. These include questions of participation, accessibility, engagement, transparency, equality and others.

Unfortunately, the nature and scope of the present hearings are far more limited than those required for a truly representative public discussion of these questions and of what type of legislation and rules are best suited for expanding and deepening real democratic participation in the political, economic and social life for people in Ontario. Focused as they are on a specific piece of proposed legislation, these hearings impose predetermined and restrictive boundaries on a discussion and debate that needs to be much more open.

As leader of the CPC Ontario, my first recommendation is that the proposed legislation, Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007, be withdrawn in its entirety and a series of truly broad and inclusive public consultations on political financing and democratic participation be launched.

Assuming, however, that this recommendation will not enjoy the favour of the committee or the government, I will identify some of my specific concerns about the proposed legislation.

First is banning trade union donations. While I support eliminating corporate donations to political parties and candidates, I do not support the same approach to trade unions. Unions are not corporations, and pretending that they are and applying the same rules places a serious limit on the ability of working people, who are the vast majority of the population, to participate fully in the electoral process. This is especially true in a class society such as ours, in which the political marginalization of the working class is a constant and growing feature.

Corporations are privately owned and privately run entities and their organizational structures—and, indeed, the very laws that govern and facilitate their activities—reflect this reality. Unions, on the other hand, are democratic public associations of working people. Unlike corporations, the internal activity of unions, including elections, finances, decisions and salaries, is all open and transparent.

Furthermore, trade unions have nowhere near the financial capacity of corporations to influence political and electoral activity. The large national and transnational corporations are multi-billion-dollar operations. Their interests are narrowly focused on profit and they often collide with the public interest.

Not all working people are in a position to be publicly involved as individuals in the political process. In fact, many people have legitimate concerns for their employment, for their legal status in Canada or for the safety of their families abroad. At the same time, however, we all have the right to be politically active. Trade union political activity is a very important avenue for workers with concerns such as I have mentioned to exercise their democratic rights through an already democratic and transparent organization.

My second recommendation is to remove from the legislation the ban on trade union contributions. Working people, whether individually or in association with other working people, have the right to participate in elections, and banning trade union donations diminishes this fundamental right.

In supporting the ban on corporate donations, I am concerned that this will prompt the introduction of problematic enforcement mechanisms. I understand from the Chief Electoral Officer, for example, that one possible mechanism involves requiring donors to list their place of employment. This is a dangerous proposal that intrudes on a person's privacy, imperils their job security and threatens the status of anybody who is not a citizen.

A second area of concern is the shift to a per-vote allowance to political parties. The legislation proposes dramatically lowering individual contribution limits and introducing a per-vote allowance. This relates to the partial reimbursement of campaign expenses for candidates who reach a vote threshold. These proposals are problematic on a few different levels.

First, providing an allowance on the basis of votes received overwhelmingly privileges the large parties who are able to run candidates in all ridings and collect higher province-wide vote counts. Smaller parties, who may have a loyal and generous individual funding base, will be doubly penalized by this approach. Furthermore, this funding model has already been proven in other jurisdictions to result in an increased gulf between those parties who are represented in legislatures and those who are not.

Second, these proposals represent a further and very significant shift in political financing from the realm of donations from the public to greater state support through per-vote funding. We need to ask a basic question: Is democracy a function of a state bureaucracy or is it of the

people? I submit that political parties and movements emerge from the people, from their response to their lived experience. As such, it is the people who have the right to fund their parties and movements. Limiting that right and replacing it with a form of state funding that privileges the largest parties are mechanisms for diminishing democracy.

Third, the legislation includes proposals to allow for additional individual contributions of up to \$5,000 and \$25,000 for a person who is a nomination or leadership contestant respectively. These are peculiar exceptions to the proposed contribution limit, and ones that, again, will overwhelmingly benefit the large parties who have multiple nomination contests.

Fourth, the partial reimbursement of campaign expenses is also a mechanism that privileges the largest parties by driving \$3 million of public money into their bank accounts each election.

My third recommendation is to remove from the proposed legislation the proposal to lower individual contribution limits and replace them with a per-vote allowance. Similarly, the partial reimbursement of campaign expenses should be completely eliminated.

Campaign spending limits: Notably absent from the proposed legislation is any change to campaign spending limits. In 2014, the total spending limit for a party was \$7.4 million. Without a doubt, such high spending limits allow the largest and best-funded parties to buy elections by financially exhausting both their opponents and the public. It's astonishing that a bill whose stated purpose is to "modernize the province's political fundraising and spending rules" and make them "among the strongest and most transparent" in the world would not address the anti-democratic effect of obscenely high spending limits.

Excessive campaign spending has facilitated the enormous increase in attack and negative ads, which many studies identify as a key factor in reduced voter confidence and participation. High spending limits drive aggressive fundraising and lead to an increase in fraudulent financing.

The best form of compliance for legal contributions is to dramatically lower spending limits so that illegally received money has a reduced effect and cannot be used to buy elections.

My fourth recommendation is that the legislation be rewritten to include drastic reductions in campaign spending levels.

Fourth, regulate free broadcasting under the Election Finances Act. Media is key to campaigning, and unequal access to free-time broadcasting amounts very clearly to a form of donation or subsidy to the largest parties, and especially the parties represented in the Legislature. For this reason, broadcasting needs to be regulated under the Election Finances Act. This applies to the free-time party broadcasts, which should be the same for all parties. Currently, for example, it is only available to parties in the Legislature during the period in between elections.

Similarly, lack of regulation allows the private broadcast consortium to determine which parties and candi-

dates will have access to election debates and discussions that they cover. In every instance, this consortium has restricted access and participation to the large parties represented in the Legislature. Even the Green Party, who received 5% of the popular vote in the 2014 federal election, has been excluded from this free broadcasting. Access to free broadcast media must be equal, or it constitutes an unfair donation and subsidy.

My fifth recommendation is that access to free broadcasting be covered by the Election Finances Act to ensure that it is equally provided and that there are no exclusions.

I'll conclude by encouraging the committee to take a wider look at how political financing affects democracy and democratic participation in Ontario. We need a consultation process that is broad, inclusive and comprehensive, that engages all people in the province, and that points toward legislative proposals that can expand and deepen democracy.

In addition to the comments I've made here, there are other concerns and recommendations that the CPC(O) will submit in writing prior to the August 15 deadline. Thank you.

The Chair (Mr. Grant Crack): Thank you very much, Mr. McKee. We'll start on the government side and we'll go with Ms. Hoggarth.

Ms. Ann Hoggarth: Good afternoon. Thank you very much for your presentation.

We heard from the Green Party leader, Mike Schreiner, that prior to his testimony, he met with the leaders of Ontario's parties without representation in the Legislature. Were you part of this meeting?

1340

Mr. Dave McKee: I was not.

Ms. Ann Hoggarth: Are there any ideas that you have discussed that are incorporated in this bill and that you like?

Mr. Dave McKee: We do like the ban on corporate donations. That's a positive step.

We generally like the idea of bringing the funding financing for nomination contestants into the bill, because that was left out, and I think that was a gap.

There was one other thing that I liked, but I can't remember what it was.

Ms. Ann Hoggarth: Okay. Ms. Wong?

The Chair (Mr. Grant Crack): Yes. Ms. Wong.

Ms. Soo Wong: Thank you very much. How much time do I have, Mr. Chair?

The Chair (Mr. Grant Crack): You've got about four minutes, Ms. Wong.

Ms. Soo Wong: Thank you very much for your presentation, Mr. McKee. I have questions. In terms of strengthening the proposed legislation, can you share with the committee—because I don't recall hearing in your presentation you talking about the advertisement. What is your organization's position on the area of limiting partisan political advertisement six months before an election, about restricting, pre-writ and during the campaign, third-party political advertisement, and—the

third question here to you—removing by-election contributions for central parties? If you could comment on those, that would be great.

Mr. Dave McKee: In terms of advertising generally, we have a series of concerns about that. On the one hand, yes, limiting political advertising by parties in the pre-writ period is important. I think I referenced some of that in the sense that it relates to overall campaign spending. Campaign spending is, of course, confined to the writ period. But the idea of having massive media campaigns that overwhelm people—limiting that, I think, is important.

On the other hand, though, and this particularly relates, I think, to the description of third-party limits, our reading of what's in the proposed legislation is that that is enormously broad. I think it includes endorsement for a candidate or telling people to vote for a candidate, telling people to vote for a party or—this is the scary part and I think the unacceptable part—advocating or discussing policies that are associated with a particular party. Now, that's really quite problematic, because that's just an open door to clamp down on any political discussion and any political activity by a huge range of (a) parties and (b) third-party organizations. I think that goes way too far. I think it's way too restrictive, because it's way too broad.

It would be easier to have that discussion if there was some more definition about what constituted political activity by a third-party campaign. But as it is written there, as I read it, it's far too broad, and I think that it could be used to clamp down on virtually all political activity by, say, unions, progressive organizations, the peace movement, you name it. These are ongoing issues that don't just exist during an election campaign; they exist in relation to government activity.

Removing by-elections from the—sorry, can you repeat your question?

Ms. Soo Wong: Removing the by-election contribution for the central party.

Mr. Dave McKee: We haven't actually identified a policy on that. I'm sorry.

Ms. Soo Wong: All right. Thank you.

The Chair (Mr. Grant Crack): Mr. Clark.

Mr. Steve Clark: Thank you for your presentation. One of the things that has come out at our hearings is a concern about people having a loophole in this legislation to provide volunteer labour at a campaign office. You indicated that you were against corporate donations but were in favour of union donations. How would you deal with the issue of someone circumventing this legislation and being able to populate a campaign office with workers who were compensated? Do you think it should be recorded? Do you think it should be outlawed?

Mr. Dave McKee: I have to apologize. We don't actually have a specific policy in that area, but to generalize, people do have the right to be politically active. If a person is volunteering their time, I think it's problematic to cast a light on that or to raise questions about that and

try to limit that. On the other hand, I get your point, which is, is a person being paid to be a “volunteer”?

I think, in general, my answer would be that, again, there's a difference between union political activity and corporate political activity. It has to do with the difference between the nature of a union and a corporation. In a lot of the discussion about these different contributions, those two entities have been mixed as if they're one and the same, that a union is just a different type of corporation, but it's not. It's not owned privately. It's not run privately. It's run democratically.

Mr. Steve Clark: But you're a candidate, so let's put your hat on. You're a candidate in a riding; you're running in Danforth. You've got two people who show up at your campaign office. One is paid by a union to go work on your campaign and one is paid by a corporation. How are you able to, in legislation—a worker is a worker. Wouldn't you say that you should ban them for both cases or record them for both cases?

Mr. Dave McKee: What you're really asking is, how do I as the candidate identify whether someone is—if someone shows up as a volunteer, are you asking that I should get them to sign a waiver that says they are not paid or not compensated at all to be there? That strikes me as very odd. I do think that there's a very big difference between union funding, which is based on members' dues, which are all publicly made and all transparent—you write them off on your income tax and all this stuff. That's a big difference: being paid by a democratic decision of members who have contributed dues and being paid by corporate interests which, again, have much bigger coffers and much bigger pockets that they can bring to the table.

Mr. Steve Clark: Okay. The other issue—anyway, I'm not going to argue with you. The issue of banning corporate donations: Do you not worry that if you just outright ban one and not a lobbyist firm or an association or a union—aren't you worried that without that control, you would get a more American-style system, where you would have PACs that were created that weren't technically corporations but were under the guise of a loose association?

Mr. Dave McKee: No. I think the way to avoid that problem is to start with the campaign spending limit. If you have political campaign spending limits that are sufficiently low and controlled, then from there, you can use a stepping stone to look at third-party spending.

But what this legislation seems to do is spend a lot of time looking at third-party spending, a lot of time proposing a whole new series of restrictions and enforcement mechanisms for third-party spending while avoiding the core problem, which is the campaign spending itself.

I also think, and I'll say this, that for years and years and years there has been what we now call third-party spending coming from corporations, coming from business-oriented think tanks. It's really interesting, I think, that only when a bunch of unions got together and made up a few third-party campaigns that actually had political

effect, now all of a sudden it's a crisis that needs to be dealt with. I think if we look at it from that context and that framework, we begin to ask a series of different questions about why this focus on third-party spending is happening the way it is.

Mr. Steve Clark: I don't have anything further, Chair.

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: Thank you very much. I appreciate that you did focus a lot of your presentation on the campaign spending limits, because parties will drive to the top of that limit and that does drive inherently the level of money that they're looking to fundraise.

I just want to go back to the beginning of your presentation, though, please. You basically say that you would see that this piece of legislation be withdrawn in its entirety and that a series of truly broad and inclusive public consultations on political financing and democratic participation be launched. So you've taken exception with the way that the government has started this process, as did we. What would you envision for a truly meaningful consultation on a piece of legislation which is both connected to and instilling some democratic confidence back in the process? We're supposed to be putting the elector at the centre of our discussions here and addressing the role that big money has played in shifting the culture, I think, of politics in the province of Ontario.

What would a truly inclusive and consultative process look like in your mind?

1350

Mr. Dave McKee: First of all, rather than emerging from specific legislation and therefore being confined to being organized by politicians, I think it would be better to have a constituency-driven process, a constituent assembly, for example, that looks at electoral and finance reform—political finance reform—and democratic reform. So that's one change.

The second thing is that I think it would be useful, rather than, again, starting with a specific set of legislation, to start with a series of questions: What has been the effect of third-party spending on democracy and democratic engagement in Ontario? I haven't seen that study. I see lots of studies about spending levels, but what does this do in terms of people's individual and community-based engagement in the process? What about their level of knowledge of the issues? So I think a series of questions is a good place to begin rather than from a series of legislative proposals.

And then I think the scope of it also needs to be much broader. For example, this legislation is looking specifically, of course, at election financing, or political financing. But we have to understand that there's a very deep relationship between political financing and democratic participation. So if we want to get at what is the most appropriate legislation for political financing rules, it seems to me that we have to ask the broader question first, which is what's the state of political engagement in Ontario? What's the state of democratic engagement? What are the barriers? What are the problems? Why is there a

low or decreasing voter turnout and what are the reasons? There have been some studies on that, but I don't think we've ever seen a comprehensive effort involving an entire widely based, broadly based public consultation driven by constituents that would then have as one of its outcomes proposals for legislation. This seems to be coming out of the exact opposite direction, starting with specific legislation and then pretending, I guess, that we can get at some of these other questions which nag at us constantly.

Ms. Catherine Fife: I think that's a very valid point because this piece, Bill 201, had no expert or evidence-based, research-based grounds to it. It's a political document, and you have politicians who are going to try to shape that document based on what we hear from our constituents and also hopefully try to instill some confidence back in the process. It is a serious departure from other electoral financing reform practices that have happened across this country and across this province. I'm referring to the Lortie commission and the Camp commission as well, where it was a document informed by non-politicians, essentially.

It is at first reading, so that's the one thing that we have here: There is an opportunity for us to amend this legislation and hopefully to make it stronger and to close some of the loopholes that you yourself identified.

The one thing that you did mention as well that is of interest to me is enforcement mechanisms, because regardless of how strong or—we're going to try to amend it. I see the Conservatives will try to amend it, and there may be some recommendations from the government side. It will come down to the enforcement piece, don't you think? You did reference it in the beginning of your presentation. Could you just lend your voice to that concept a little bit, Mr. McKee?

Mr. Dave McKee: You're referring to—I think it was on the second page where I talked about the possible proposal to ask people to note their place of employment. I know that's not proposed in the legislation; this came up at one of the political advisory committee meetings as a possibility. I'm speaking on behalf of the Communist Party. There was such an experience as McCarthyism; I know a number of people who lost jobs and had to leave the United States and work in other countries because of their political association. They may not even actually have had a membership in the party, but they had some kind of sympathy with that. I think that's not a problem that is confined to the Communist Party and it's not a problem that's confined to the United States or to McCarthyism, but it is a serious concern when we start looking at, to what degree are we going to pry into people's individual and private information for the case of a simple donation to a political party? It's a bit questionable.

Ms. Catherine Fife: Yes, you raised that point.

Do I have any more time?

The Chair (Mr. Grant Crack): Not really, but if you have one wrap-up question, that's fine.

Ms. Catherine Fife: I was surprised that you didn't specifically address the role of government advertising, because the rules have changed. The government has changed the rules on government advertising in this province. The definition of "partisan" has been sort of watered down, if you will. Is there any comment that you might have around government advertising?

Mr. Dave McKee: I won't make a comment, just because we didn't prepare one for this particular presentation, but I will look at it for our written submission.

Ms. Catherine Fife: Thank you.

The Chair (Mr. Grant Crack): Thank you, Mr. McKee, for coming before committee this afternoon and sharing your thoughts. We appreciate it. Have a great afternoon.

Mr. Dave McKee: Thank you.

CANADIAN CIVIL LIBERTIES ASSOCIATION

The Chair (Mr. Grant Crack): Next, from the Canadian Civil Liberties Association, we have Cara Zwibel and, I believe, Sukanya Pillay—

Ms. Cara Zwibel: Just me.

The Chair (Mr. Grant Crack): Just you. Hi, Cara. How are you?

Ms. Cara Zwibel: Good. How are you?

The Chair (Mr. Grant Crack): Good. It's great to have you here this afternoon.

Ms. Cara Zwibel: Good to be here.

The Chair (Mr. Grant Crack): You have up to 10 minutes for your presentation, followed by about 15 minutes of questioning from the three parties. So the floor is yours. Welcome.

Ms. Cara Zwibel: Thank you, Mr. Chair and members of the committee. On behalf of the Canadian Civil Liberties Association, I want to thank the committee for the opportunity to make submissions with respect to Bill 201.

The CCLA fights for the civil liberties, human rights and democratic freedoms of all people across Canada. Founded in 1964, we are an independent, national, non-governmental organization working in the courts, before legislative committees, in classrooms and in the streets, protecting the rights and freedoms cherished by Canadians and entrenched in our Constitution. CCLA's major objectives include the promotion and legal protection of individual freedom and dignity, and for the past 51 years, CCLA has worked to advance these goals.

The CCLA is an organization with multiple areas of interest, and we advocate on a variety of issues at the municipal, provincial and federal levels across the country. I am director of the CCLA's fundamental freedoms program, and one of my major areas of focus is freedom of expression. As a result, I approach Bill 201 through that lens and want to speak today particularly about the limits on third-party political advertising that it establishes.

I've given you a written submission as well which outlines in more detail the two core concerns that I want to

address today. Those concerns are, first, the definition of political advertising under Bill 201 and, second, the restrictions placed on third-party advertising during the newly established six-month pre-election period.

Before I get into those specific concerns, I want to say that the CCLA appreciates that placing some restrictions on third-party advertising or providing a degree of transparency in terms of how third parties may be affecting or seeking to influence electoral outcomes is, in our view, a valid public policy goal. However, in achieving this goal, I want to encourage the committee to be mindful of the important rights that are affected.

When individuals and organizations become engaged and involved in our political process and start speaking out and sharing their views, that is freedom of expression in action, and one of the primary reasons that we have a constitutional protection for freedom of expression is to ensure that it can be exercised in the political sphere. Our courts have repeatedly recognized that political speech lies at the very core of why we have such a protection.

Having a meaningful debate or dialogue on a matter of public policy cannot happen if vague or onerous restrictions are placed on that expression, and while spending limits, I know, are generally designed to level the playing field, to ensure electoral fairness and work toward achieving some measure of equality between those with significant financial resources and those without, getting the right balance is challenging. In our view, that balance is not struck by the current approach to third-party advertising in Bill 201.

The first concern I want to address is the breadth of the definition of political advertising in the bill. I'm sure you're all familiar with it at this point, so I won't read it, but as you know, it's not confined to the promotion or opposition of a party or candidate. Rather, it extends to anything that takes a position on any issue with which a party or candidate is associated.

1400

In our view, there are a few problems with that definition. First, it's unclear what it means for a candidate or party to be associated with an issue. Candidates may take positions on a variety of things during the course of a campaign and, of course, elected representatives will have positions on any item that's being considered by the Legislative Assembly. If a candidate is asked a question about an issue that is otherwise not an area of focus for them, does that candidate become associated with that issue simply by virtue of responding?

In addition, what issues that are at play in an election or addressed by parties or candidates will evolve over time? The definition seems to require the Chief Electoral Officer to monitor a great deal in order to effectively enforce this aspect of the law. I read his testimony before you and I know that he pointed out that this is particularly problematic in the pre-election period.

From the perspective of third parties, it may be unclear which issues are offside or subject to spending limits, and that same lack of clarity will affect the electoral officers' ability to effectively enforce.

Second, even if a candidate or party is particularly associated with an issue, it is possible for individuals and organizations to speak out on those issues without any intention of impacting the election and without any evidence of such impact. As a result, the definition of political advertising in the bill overshoots the mark, in our view.

The second major concern that I want to address relates to the fact that third-party advertising is limited for a six-month period prior to the writ being dropped. To the best of my knowledge, that's unparalleled in any other Canadian jurisdiction. As discussed at greater length in the written submissions that I've circulated or that have been circulated on our behalf, BC had some experience with attempting to limit third-party advertising in a pre-election period. They first tried a 60-day period, which, upon a constitutional challenge, the BC Court of Appeal found to be unconstitutional and struck down.

After that, the legislation was amended to shorten the period to 40 days, subject to the possibility of a shorter period, depending on when the throne speech was happening or when the budget was happening. The BC government referred the constitutionality of those provisions to the BC Court of Appeal, which once again found them to be unconstitutional. The particular basis for that finding was that those restrictions limited freedom of expression in a way that was unjustified—was not reasonable and not justified.

The six-month period, combined with the definitional breadth that I've already discussed, will, in our view, place a real chill on issue-based advocacy in the province. While I've seen numbers indicating that there is a lot of third-party spending happening, I haven't seen any compelling justification for the combination of those two elements that I've mentioned. In my view, I think it would be unlikely to withstand a constitutional challenge before our courts. So rather than making a change that is likely to lead to costly and time-consuming litigation, we urge the committee to improve the bill now. As a result, we are recommending that all restrictions on third-party advertising during the pre-election period be eliminated and we would also like to see a narrowing of the definition of political advertising so that it is more in line with the legislation's objective of limiting third-party influence on elections in particular.

Finally, I just want to mention that in October of this year, the Supreme Court of Canada will hear an appeal from BC which involves third-party advertising restrictions. The particular issue in that case is not replicated in Bill 201. It has to do with the fact that BC has not put the \$500 threshold before registration requirement on third parties. I think the court's reasons in that decision, whenever that decision comes out—and like I said, the case isn't being heard until October. I think what the court says in that case will be relevant to the assembly's consideration of this bill.

In my view, it might be wise to consider deferring passage of any of the particularly novel aspects with respect to the third-party advertising scheme until the court

has issued its decision. I note that even though there is a \$500 threshold in the bill before a third party has to register, the requirements placed on third parties that meet that registration threshold are fairly onerous in terms of the reporting that they need to do, and that may have a deterrent effect on some smaller spenders who want to participate in the process but feel they can't comply with what's required.

I'm happy to leave it there and answer any questions that you might have.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Hillier.

Mr. Randy Hillier: Thank you very much for being here today. Your presentation solely focuses on third-party advertising, so I guess we can deduce that you are completely satisfied and happy with the campaign contribution elements of the legislation.

Ms. Cara Zwibel: The third-party advertising is where we've decided to focus. It's where we feel we have the most to offer in terms of recommendations. I'm not an expert on campaign finance and so I'm reluctant to comment generally on the thresholds.

I will say that I notice and I do have a concern about the discrepancy in terms of what counts as a contribution in terms of a party versus a third party. It's my understanding that contributions in the form of voluntary labour would not count towards a party's limits, whereas in terms of the reporting that a third party would need to do, voluntary labour would count. I know many of the organizations like CCLA and others that we work with rely very extensively on volunteers. So while we may not actually be expending any funds on things, we can get a lot done by virtue of that volunteer labour. It seems to me that that discrepancy is a problem that should be addressed.

Mr. Randy Hillier: Okay. You're not, of course, the first person or organization to speak about the definition of "political advertising." It's been recognized by many others that the definition is too broad. It will be troublesome and cumbersome. It will maybe be totally impossible or impractical to bring effect to. You're suggesting that we improve it; I don't see any language in your document. Have you developed any language that you think would be a better definition?

Ms. Cara Zwibel: The definition, like I said, is particularly problematic in the pre-election period, but I think it's problematic in and of itself. The simplest way I can think of to remedy it would be to remove the lines that refer to the issue-based advocacy, so confine political advertising to the promotion or opposition of a party or candidate and leave out anything related to issues that are associated.

I know when the Chief Electoral Officer addressed the committee, I liked the line from a US Supreme Court judgment about it being like a line in the sand drawn on a windy day, and I appreciate that that's a concern. That kind of vagueness is particularly problematic in legislation when parties and organizations and individuals are trying to guide their behaviour. In terms of clarity, I think

that's one clear way to address it, but I appreciate that may not address all of the other concerns.

Mr. Randy Hillier: Your presentation also doesn't delve into government advertising. Any thoughts or comments that you'd like to share with us on—

Ms. Cara Zwibel: I have to apologize that I'm not as knowledgeable about that as I should be. I understand there is, again, a discrepancy in terms of what's permitted and what's not in terms of parties, government and third parties. Certainly I think that's something that needs to be looked at, and actually, I'm happy to take a closer look at that and perhaps do a supplemental written submission to the committee.

Mr. Randy Hillier: So just for the record, the absence of a recommendation is not acceptance.

Ms. Cara Zwibel: No.

Mr. Randy Hillier: Thank you very much.

The Chair (Mr. Grant Crack): Ms. Malhi.

Ms. Harinder Malhi: This whole committee agreed at one point that financial reform was important in our electoral process. When Bill 201 was drafted, we looked at ways to accomplish that.

I just wanted to know what kinds of things you could support, and how you think the proposed legislation could be strengthened. Do you think that levelling the playing field by putting an end to corporate—do you support ending corporate donations and also introducing a per-vote allowance of funding to help in the transition to a more grassroots-funded party system and enhancing democracy?

1410

Ms. Cara Zwibel: Sorry, can you break those two up?

Ms. Harinder Malhi: Yes. The first one is levelling the playing field by putting an end to corporate and union donations.

Ms. Cara Zwibel: I think that is something that we support. My understanding is that's the norm in other provinces across the country, so that's not something that we take issue with here.

Ms. Harinder Malhi: And how about introducing a per-vote allowance of funding to help the transition to a more grassroots-funded party system?

Ms. Cara Zwibel: That, I think, is potentially a little more problematic, because I know that the tendency is that that leads to supporting more established parties and it can make it more difficult for newer parties to grow. But, like I said, it's not an area that I have a lot of expertise in, so I'm not sure I can comment.

Ms. Harinder Malhi: When it comes to individual contributions, do you think that we should be lowering the limits?

Ms. Cara Zwibel: Lowering the limits from what is in Bill 201 or from the prior—

Ms. Harinder Malhi: From the prior.

Ms. Cara Zwibel: I think we're in support of that.

Ms. Harinder Malhi: Okay. How about restricting, pre-writ and during the campaign, third-party political advertising?

Ms. Cara Zwibel: That's our concern. That's our primary concern in terms of the restrictions placed on third parties, particularly in the pre-writ period. Six months is a very long time. The government and the Legislature can do a lot in that time. For individuals to be subject to reporting requirements and restrictions on spending about any issue that may be relevant in that period seems to place a very significant chill on freedom of expression.

Ms. Harinder Malhi: What about partisan advertising six months prior to an election?

Ms. Cara Zwibel: You're talking about third-party partisan advertising?

Ms. Harinder Malhi: No. That was third-party. Now we're saying political party—like, partisan advertising; if we're advertising, as a party, government programs.

Ms. Cara Zwibel: I'm not sure, frankly.

Ms. Harinder Malhi: Okay. And removing the by-election contribution period for central parties?

Ms. Cara Zwibel: Again, that's not something that I've taken a close enough look at. I apologize.

Ms. Harinder Malhi: Thank you.

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: Thank you very much, Cara, for being here. The focus of Bill 201, particularly around freedom of expression, is of great concern to a lot of people across the province, so I appreciate that you've focused on this piece. As you quite rightly point out, the electoral officer has indicated that this is something that he is recommending to change with Bill 201. I'm fairly certain that if this bill had actually gone out to various experts and had a thorough vetting in consultation with people other than politicians, this very restrictive piece would not be part of this bill. So we will be trying to amend it. We now have the support of the electoral officer and you, along with other groups. We will see if that gets changed. But there's no place for it in Bill 201. I just want to be clear with you on that.

You say that the definition of political advertising as it applies to third parties and the restrictions on third-party advertising that extend to a lengthy pre-election period of six months, that these give rise to serious constitutional concerns and infringe on freedom of expression in a manner that is not justified.

The other piece that has come up as we've travelled around the province in Kingston and Ottawa is that if a budget came down, like in the spring, and of course the election may fall very quickly after that, then the budget as a political document would actually get captured within these restrictions. So you would consider a budget to be a political document, would you not?

Ms. Cara Zwibel: Absolutely. I mean, that's one of the concerns that the BC courts were addressing when they found restrictions on third-party advertising in the pre-campaign period to be unconstitutional.

Ms. Catherine Fife: Yes. I think that you raising the issue of BC—the constitutional challenge in BC should have some weight with this committee as well. I mean, we have been looking to other jurisdictions, like Quebec as well, because Quebec has gone through a process of

trying to reduce, if you will, or respond to some of the corruption and some of the collusion that happened in that province, and Ontario is going down that same path.

I just wanted to thank you very much for raising that and sort of validate your concerns; they are the same concerns as those of the New Democrats.

The Chair (Mr. Grant Crack): Thank you very much, Ms. Zwibel. Thank you for coming before committee this afternoon. It's much appreciated.

SOCIAL PLANNING TORONTO

The Chair (Mr. Grant Crack): Next on the agenda we have, from Social Planning Toronto, Sean Meagher, who is the executive director.

We welcome you, sir, this afternoon. You have up to 10 minutes for your presentation, followed by 15 minutes from the members of the committee. The floor is yours.

Mr. Sean Meagher: Thank you. My name is Sean Meagher. I am the executive director of Social Planning Toronto, which is a charitable organization that does public policy research. I'm also a member of the Toronto Nonprofit Network, which is a network of over 100 nonprofit organizations that serve people all across the city of Toronto.

I really appreciate the opportunity to come and speak to the committee today because—well, frankly, because democracy is really great. For all its weaknesses and all its shortcomings, it's hard to imagine wanting to live in a setting where people couldn't collectively choose where they wanted their community to go and how they wanted it to work. All the discussion about electoral reform that we engage in should be built on that foundation: What do we collectively want to do, how do we express that together and how do we ensure that that shared goal is what's honoured in the process?

Obviously, there are differences among us. Some of us think we should do X and others think we should do Y, and, within certain boundaries of rights and protections, we've agreed that, by and large, a clear majority of us favouring one outcome is what we go with. It's a pretty simple set of maxims, but it turns out to be harder to practise than it sounds, and of course that's why we're here.

The first problem is money. Money talks. The folks with the most dollars have a habit of shouting a little bit louder than the majority at times. We need only look south of the border to see both the problem and the solution to that circumstance.

The capacity to spend effectively unlimited amounts of money in US elections has done an enormous amount of damage to the electoral system in that country, to the public's confidence in it and, frankly, to their confidence in the governments that it elects. As long as people believe that it is possible for some powerful, affluent cabal to have more influence than everybody else combined, democracy is in a lot of trouble. So spending limits need to be firm and clear, and they need to be oriented around

making sure that the few cannot shout out the many in that civic conversation that we need to have.

Strikingly, the US has shown that those limits can be very, very low and work very, very well. Bernie Sanders out-earned Hillary Clinton in several stages of the primaries, and probably everybody in this room knows that he managed to do that on an average donation of \$27. Low limits and low contributions do not cripple parties or prevent them from engaging in effective electoral practice. I didn't arrive here with a firm set of recommendations on total limits, but I can say that the currently proposed cumulative limits in Bill 201 are out of reach of the vast majority of Ontarians.

I care enormously about the public well-being and about the public process. I can't remember the last time I gave \$7,000 to anything in a given year, and I'm a reasonably comfortable Toronto resident and homeowner.

Mr. Randy Hillier: The government?

Mr. Sean Meagher: Sorry?

Interjection.

Mr. Sean Meagher: Even the government, which I care about deeply—sorry—in that particular mode.

I think, if we look at the median levels of donations over the past several elections, we have a pretty good guide of what average Ontarians can contribute. We should be skewing our limits to match what ordinary people can pay because, however much of a gap there is between what ordinary people can pay and the limit, that's how much extra running room people with more money than the average get in the conversation. I think that's one of the things we want to guard against.

The second thing that I think we need to focus on is that we need to have a conversation that is balanced. Bill 201 tries to address that in a number of ways. I think we need to make sure that we're really clear about how that conversation works, and that means that how money is given, how it's received and how access results from that has to be very, very clear. I'm sure deputant after deputant has mentioned that sunlight is the best disinfectant, but that means that light has to hit everything. Every form of contribution, every gift and every point of access needs to be visible to the public.

1420

I realize this latter point is not precisely the purview of the bill that's currently before this committee and more closely relates to regulations on lobbying, but I think that there is an inexorable link between the two, and it's important that this conversation and this committee be prepared to provide the government with advice on both of those topics, to ensure that we have a democracy the people can have confidence in.

On the giving side, we need to recognize that where government officials are concerned, we have to face the fact that whether it's a cheque to a party, a pair of cufflinks on a birthday or a nice dinner, those are all transfers of benefits that the public ought to see. Similarly, a formal meeting is a point of access, but so is an informal chat, a shared meal or a round of golf. Those are things the public has a right to see.

In short, public officials and the parties that they belong to, whenever they are getting a benefit, should be letting the public know, and the public's business, whenever it is discussed, should be something the public can have an eye on. No harm comes from overreporting, and great harm comes from underreporting.

The other thing to keep in mind is how we make sure that those simple maxims balance in the civic discourse. We can't decide collectively what we want to talk about if some people get more space than others, and we also can't decide what we want to talk about if nobody gets any space at all. Third parties need to be able to be part of the conversation, and we need to have them in the conversation at all times.

I appreciate the need to sharply regulate the creation of Trojan-horse campaigns that act as unregulated organs of parties seeking re-election. Parties should not own, operate, guide, collude with or in other ways govern third-party campaigns to simply let them skirt the rules; that would be terrible. But the proposed effort to address this fails primarily because the definitions are too weak and too broad. What is an issue associated with a party or a candidate? I can't think of a single element of civic discourse that couldn't be characterized that way.

I volunteer for a number of charities, and most of them raise issues from time to time that relate to things like health care, education or housing. All would be regulated regarding any ads for six months out of every four-year cycle if they continued to engage in that work. I think the legislation should, as the Chief Electoral Officer has suggested, restrict itself to matters clearly indicating a preference for a party or a candidate, and leave the third sector free to advocate for the issues that matter to Ontarians.

I think it's also equally important to provide absolute clarity about what is and is not treated as third-party advertising. Many people have lauded the federal rules in this regard; as someone who sought to apply them during the previous federal election, I can say that they have shortcomings that are significant. What does posting something on your website mean in terms of advertising? What about putting something out on Twitter? What about putting something out on Twitter that guides people to something posted on your website? What about advertisements seeking new members that state your general position on public policies? Are those electoral advertising? Are they constrained under the rules?

I saw non-partisan, non-profit organizations just seeking to do their job struggle with those boundaries during the six months preceding the last federal election, and the problem was exacerbated by the refusal of any public officials—anybody in the federal government—to give a firm and clear ruling about any individual example. Calls to the federal government about “Can I do this or not? Just let me know” were answered with, “Well, you have to take your chances and see how it comes out afterwards.” That's no way to ensure that we have a full civic discourse during an election. We need both clear rules

and referees on hand to say what's fair and what's foul, so that volunteers can navigate the process.

I really want to underscore that last point: Volunteers are navigating this process. The third sector is not predominantly made up of people who get paid decent salaries and have lots of time to spend; it's predominantly made up of people who are giving their free time in order to participate in civic discourse. Complex sets of rules that require significant investments of time and money exclude a lot of those people from the civic discourse that should go into elections. I think everybody at this table really wants to make sure that all of those groups get to have a voice in that civic conversation, because that's what a third sector does.

I think it's important for the committee to remember that there are more than two sectors in this conversation. There is a government that looks after the public interest, and there are private-sector organizations that look after private interests, but there is another private sector: private-sector organizations that look after the public interest. That's what the third sector does, and every piece of legislation that looks at lobbying, advertising constraints or spending limits should keep that third sector in mind.

Just to summarize very quickly: I do hope that you will look at appreciably lower limits for spending. I do hope you will dramatically narrow the language about who gets banned from advertising for six or seven months out of every four years. And I think it's really important that we have clear rules and clear referees to make sure that when volunteers in the third sector seek to participate in the public conversation, there's space for them to do so.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Meagher. How do you pronounce that?

Mr. Sean Meagher: It's Meagher.

The Chair (Mr. Grant Crack): Meagher. Thank you. Sorry about the mispronunciation at the start.

Mr. Sean Meagher: It's Irish. No one can say it.

The Chair (Mr. Grant Crack): Ms. Fife.

Ms. Catherine Fife: Thank you very much. It's good to see you here, Sean.

Mr. Sean Meagher: Thank you.

Ms. Catherine Fife: One of the things that we're grappling with as a committee is around disclosure. You said, “The light has to hit everything.” What does that mean to you as a citizen? That you see everything that the parties are pulling into their respective campaign trusts? Is it hours? Is it research? Is it travel expenses of people? How big is that net and why is it important to you?

Mr. Sean Meagher: I think the net needs to be quite broad, and things that are money or displace money—staff time, travel expenses and things that allow you to move costs from one place to another are effectively money, and as a consequence are things the light ought to hit.

I really have to note something that I skipped over in trying to squeeze everything into 10 minutes, which is that it's not just visibility but speed that matters. It's lovely that we disclose lots of information. If we could

disclose it during the time period when people are making their decisions, it would be more useful to the public in weighing the circumstances that we're in.

It's important because the public needs to have confidence in the system. I look with great sadness at the American political system, because America has been a fantastic player on the world stage over much of its history, but what we see now is a nation where most of its voters so fundamentally disbelieve in their government and how it makes decisions and who has influence over them that most of them don't vote. More of them have confidence in the third sector than in the public sector. We need to defeat that, and we defeat that by making sure the public can see everything so they can have confidence in everything.

Ms. Catherine Fife: You spoke at length about third-party issue-based advertising. This is something that is going to be harder because, as the electoral officer and others have pointed out, issue-based advocacy means very different things to different people.

Mr. Sean Meagher: Yes.

Ms. Catherine Fife: Now, you're from the social planning council of Toronto and you referenced the not-for-profit jurisdiction as well. If this legislation stays as is, you would be severely limited in raising concerns around housing or a living wage or health care or mental health resources or what have you going forward. This is your opportunity to tell us what impact that would have on our democracy, on the discourse that we all should be fighting for.

Mr. Sean Meagher: The third sector literally could not do its job. We ran into that in much more limited ways during the last federal election because the rules were appreciably better than the ones proposed here. If we can't have a conversation with the public about the issues that matter during the time when they are making their biggest decision about which way they want their community to go, then they don't get the information that they need to make those choices.

One of the reasons we have third-party advocacy organizations is so that people can get the information they need. The social planning council's entire function is to do research so the public can have ready access to the information they need to make decisions about public policy. We need to be able to convey that to people.

Ms. Catherine Fife: Do you think that people know, as this piece of legislation is crafted right now, how limiting it will be on their voices come the next election?

Mr. Sean Meagher: No, I don't think—to be perfectly honest, I mentioned to several people that I had to juggle my schedule to go speak to the committee about Bill 201, and I never got a single person say anything other than, "What's Bill 201?"

Mr. Steve Clark: Welcome to our world.

Mr. Sean Meagher: Yes. Well, I don't have that with other things. I didn't have that with Bill 173. I didn't have that with a number of other bills where there's a lively conversation in the not-for-profit sector and in civic discourse about what's going on. There is not a

lively conversation about electoral reform in this province right now.

Ms. Catherine Fife: No, which is most unfortunate, I think.

Mr. Sean Meagher: I think that if there were one—and I suspect you will see inklings of it over the coming weeks. You will hear from people who see it as their duty to provide fair and balanced information to the public about important public policy choices telling you that this will tie their hands in ways that will undermine their capacity to serve the public.

1430

Ms. Catherine Fife: That's excellent. Thank you very much.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Clark.

Mr. Steve Clark: One of the things that has come up is openness and transparency about donations in general. A number of participants have talked about adding a level of acknowledgment with donations. The American system allows name, mailing address, occupation and employer. Some have suggested for our system to include employers or occupations. I'd just like to know if you've got any opinion on that level of openness and transparency. Do you believe we should have more information about the donor released?

Mr. Sean Meagher: One of the things that I liked very much about the Chief Electoral Officer's presentation before this committee is that it was evidence-based. He looked at the pattern of gifts and the pattern of behaviours and said, "Okay, here is where problems are starting to emerge. We need to respond to those." I think that's how we should make choices here. I think that it makes sense to try to balance privacy with openness where individuals are concerned, but at the same time, if we think we're seeing a pattern of abuse, then that creates a compelling reason to adjust our level of openness to compensate for it.

I do hear people saying, "I feel like there may be some patterns of employers funnelling donations through their employees." I don't have a good gauge of how prevalent that is, but I do know that if it gets to the point that it causes people to wonder if the system is working, then there is a compelling argument to say, "We need to adjust the disclosure rules to compensate for that."

Mr. Steve Clark: One interesting comment made this morning by Mr. Kingsley, the former Chief Electoral Officer of Canada, was in regard to third-party advertising and the fact that—let's say you did pick a six-month period—with a fixed election date, the majority of the money would be spent that last month just before the cut-off. He mentioned a proposal that I hadn't heard from any other presenter that talked about doing a monthly cap of expenditure leading up to the election. Any comment on that type of proposal?

Mr. Sean Meagher: I can see that it has surface merits. I have to confess that I haven't looked at it closely, and because I share that commitment to evidence-based responses, I can't say very much. But it

does have a surface appeal. The point of having limits is so that people won't shout above the crowd. Smoothing those levels out would help to mitigate that tendency to shout above the crowd.

Our goal, fundamentally, with spending limits on advertising, spending limits on donations, spending limits of every kind, is to ensure that what our democracy is supposed to be, which is that the most people get to pick, gets safeguarded in our electoral process.

Mr. Steve Clark: I'm good.

The Chair (Mr. Grant Crack): Thank you. Ms. Hoggarth.

Ms. Ann Hoggarth: Good afternoon, Mr. Meagher.

Mr. Sean Meagher: Thank you.

Ms. Ann Hoggarth: You're welcome.

Mr. Sean Meagher: Also a Celt, so she had an advantage.

Ms. Ann Hoggarth: I'd like to say that I appreciate your presentation and that you understand that we're here to reduce the effect of money in politics, in democracy. This is just a starting point, this bill, and there will be a lot of work that goes into it before it's finished.

But I wanted to say that I, as a Canadian, am disappointed that we're being compared with the United States. I have relatives there and we can't even talk about politics. Also, lower spending limits are great when you have 337 million people. That's 10 times the population of Canada and much more than the population of Ontario. Yes, with Barack Obama and with Bernie Sanders, they were able to raise a fair amount. That would be much more difficult with the number of people that we have here. That's just a statement that I'm going to make.

I want to know which of these items you do support. Levelling the playing field by putting an end to corporate and union donations: Yes or no?

Mr. Sean Meagher: I'm perfectly comfortable with that. Yes.

Ms. Ann Hoggarth: Introducing a per-vote allowance of funding to help the transition to a more grassroots-funded party system and to enhance democracy: Yes or no?

Mr. Sean Meagher: I am nervous about the word "transition" in that clause. A per-vote allowance that is permanent and supported over the long term does take money out of the game to a significant extent. I think that's really valuable, so I think we should be thinking about that as a long-term strategy.

Ms. Ann Hoggarth: Okay. Restricting pre-writ and during campaign third-party—you've already said this.

Mr. Sean Meagher: Yes.

Ms. Ann Hoggarth: You don't want that?

Mr. Sean Meagher: No, that's not what I said. What I said is that we should be thoughtful about how we go about those restrictions, that if parties are, as many US parties do, trying to skirt the spending limits by creating Trojan horses through which they can flow money, that's a problem and we need to constrain that. But if we behave in a way that constrains the activities of legitimate third-sector participants in the public discourse, then

we've got a big problem. The limits are too low. The language is too weak. I'm not saying that we shouldn't have any kind of constraints. What I'm saying is we need very different constraints from the ones we've designed.

Ms. Ann Hoggarth: Removing the by-election contribution period for central parties?

Mr. Sean Meagher: I don't have a strong opinion about that. I focused mostly, frankly, on cumulative contributions. I think it's worth noting that low cumulative contributions in very small populations, just looking at the statistical impact of it, would have a different impact than it does in very large populations like the US. With 11 million people and far fewer we need to talk to, Ontario has the size of electorate that would enable it to have very low contribution levels and still sustain a viable party system, especially if there were tax-funded supports to promote contributions that reflected what the majority of the general public supported, rather than the most affluent.

Ms. Ann Hoggarth: Thank you. My last question is this: What is your opinion of the per-vote allowance? Is it too high, too low, and why?

Mr. Sean Meagher: I haven't done the financial analysis to give you a good answer to that. It needs to be high enough for parties to mount viable campaigns based on—if they're clearing the threshold, at least, they need to get enough per vote to mount a viable campaign. We should calculate that based on what's going to be, frankly, shifting costs over time.

Ms. Ann Hoggarth: And last but not least, should the amount that a candidate can spend of their own money be limited?

Mr. Sean Meagher: Absolutely. It has always confused me that for some reason we think that people who are affluent shouldn't have more say in the electoral system unless they're the candidate, in which case they should have more say. The candidate already has a pretty good microphone. They don't need to buy their way to a bigger one.

Ms. Ann Hoggarth: Thank you very much.

The Chair (Mr. Grant Crack): Thank you very much. No further questions. I'd like to thank you, Mr. Meagher, for coming before committee this afternoon. We appreciate your remarks.

Mr. Sean Meagher: Thank you, and I thank the committee.

MS. BARBARA CAPTIJN

The Chair (Mr. Grant Crack): Next on the agenda we have Barbara Captijn. Welcome.

Ms. Barbara Captijn: Thank you.

The Chair (Mr. Grant Crack): We welcome you this afternoon. You have 10 minutes for your presentation to committee, followed by up to 15 minutes of questioning and/or comments. The floor is yours.

Ms. Barbara Captijn: Thank you very much to the committee for allowing me to speak briefly to you this

afternoon. I just heard at last notice, about a couple of hours ago, that there was a vacancy and I wanted to come in as a member of the public because I've been reading, as you have, all of the articles following the *Globe and Mail's* investigation into the cash-for-access information. We've all been able to see things that we didn't know were going on, and as a member of the public, I am very concerned about this.

I grew up in an Ontario where it was one person, one vote. Therefore I wouldn't have expected that lobbyists or large corporations would have been sitting at tables, talking about policies, bending the ears of decision-makers in the government who would then pass regulations or legislation which would affect my life. I had no idea this was going on. I don't know whether you all did, but it came as a shock and a surprise to me.

We've read time and time again over the past couple of weeks that there are these cash-for-access meetings during which a large corporate player can pay \$10,000 to bend the ears of a decision-maker who then has authority to enact or not to enact legislation in their favour. Let's not forget that the biggest donors are development and construction companies. That doesn't come from me but that comes from a *Globe and Mail* investigation published on July 6 of this year. Another one was published July 8 in the *Globe and Mail*. These are not my words. This is an investigation. We have to rely on the press, sadly enough, to spill the beans on what our politicians are doing. I elected my provincial politician to speak in the public interest, not to favour the interests of deep-pocketed lobbyists or corporations.

1440

I come to you with a specific example. This is deeply, deeply concerning to me and to other Ontario homebuyers. This is a serious, persistent, and I think outrageous example of cash for access and how cash for access is eating our lunch, basically. I'm speaking to you from the point of view of an average consumer.

Why am I here to talk about this specific example? Five years ago, as an ordinary citizen, I had a very unfortunate experience as a new homebuyer in this province with Tarion Warranty Corp., which is a monopoly of the Ontario government. Little did I know that behind the scenes, there were these presumably cash-for-access meetings going on with the minister, perhaps with the Premier. It looks like development and construction companies like Daniels Corp., Diamond Corp., EllisDon, Metrus development, ZZen developments, the DeGasperis family—you name them, they appear to have been sitting at tables, talking about policies to a minister who was then responsible for consumer protection legislation, because Tarion administers the Ontario New Home Warranties Plan Act on behalf of the government for people like me.

This is not a level playing field. By any definition you can give, this is not one person, one vote. This is unfair. This is outrageous.

For five years after my unfortunate experience, I've tried to help new homebuyers in this province get defects in their newly built homes fixed under the Tarion war-

ranty. Of course, it's not in a developer's interest to have to fix defects in a home that he's just gotten the money for. He wants to walk away and get on to the next profit centre. It leaves Ontarians with the unfortunate situation of having to fight themselves, hiring their own lawyers to fight a government monopoly to get their homes fixed. This is wrong-headed. This is outrageous. This has to stop.

Your government knows about it. Premier Wynne knows about it. Minister Orazietti knew about it. Ms. Lalonde, the new minister, must know about it if she reads her files. The opposition MPPs all know about it. We've talked about this ad nauseam. The reason we haven't been able to get anywhere is that we don't have \$10,000 or \$5,000 to sit at a cocktail party and bend the ear of the very person who's going to be making regulations and decisions which affect that industry. I get it: Builders are in business to make money. They're in business to make a profit. But we don't want them eating our lunch.

I work with many, many homeowners who are hard-working people, who have families and young kids, trying to put food on the table. They don't have the money to be bending the ear of the Premier at the Four Seasons hotel during a private cocktail or a dinner. I don't know who in this room can give me a definition of democracy where that fits the definition. I am personally outraged. I'm here asking you to please change this legislation to get back to our democratic principle of one person, one vote.

This is consumer protection legislation I'm talking to you about, which has been distorted and poisoned by the money of the building industry. With all due respect to the building industry—I have nothing against builders—to build a home properly and deliver it according to a contract should be what we're all entitled to. If I buy a bicycle, I don't expect a government monopoly to come in and start defending the manufacturer of the bicycle who delivered me a defective bicycle. There's no way you can argue that to me, and yet those who have the loudest microphone, the deepest pockets and the biggest Bay Street lawyers are muscling their way in on this issue, which is supposed to be consumer protection legislation.

What I'm concerned about, as well, is that your legislation you're proposing—a *Globe and Mail* article from July 8, 2016, states toward the end of the article, third paragraph from the end, "But cash-for-access events will still be allowed. The party in power will still be able to leverage its influence by selling tickets to meetings with ministers." Those ministers are responsible for making decisions about this consumer protection legislation. "The game will be less lucrative, thanks to lower donation limits—although," it says here, "one person will be able to give \$7,750 to one party every year." If you just get, I suppose, a Tridel, if you get 200 employees or 200 executives to donate that, then you've got a very nice, loud microphone with which to speak about the interests of your industry.

Please, I emphasize to you, the meaning of this legislation, the Ontario New Home Warranties Plan Act, the Taron legislation, was consumer protection. It wasn't builder protection. Nobody ever envisaged, I don't think, unless I'm very naive—and I read three newspapers a day and I try to be active on social media. I don't know who can tell me that this was going on. Why did we find out about this just as a surprise, even that ministers have targets for fundraising? This is outrageous.

I see everybody looking into their papers but I was kind of hoping that people would be looking at how distressing I find this, because I'm here speaking on behalf of many Ontarians. I see MPPs—my own Liberal MPP never responds to my emails, calls, texts and tweets about this issue. Nobody wants to talk about this, I guess, because the money has already been received and quid pro quos may have been already promised.

Interjection.

Ms. Barbara Captijn: Sir?

Mr. Vic Dhillon: No, no.

The Chair (Mr. Grant Crack): You still have your presentation; you have another minute to finish up your presentation.

Ms. Barbara Captijn: I guess I'm looking for the same kind of reaction from you as lawmakers. This is the House in which laws are made to protect people like me. I'm here as a member of the public. I don't get paid to be here at all. I don't get paid to go around to Barrie and Thunder Bay and other people's houses and sit around at their kitchen tables and hear their stories about how they can't make their bills because they can't get their home fixed through the Ontario warranty corporation. That's legislation you are responsible for. I am not, the citizens are not, and we can't get our voices heard because we're being bullied out of the policy-making table by large corporate donors who are the builders themselves.

You were saying, "What specific knowledge does she have? What specific examples does she have of being muscled away from the policy-making table?" I'll give you an example: a consultation Tarion held called consultation on Builder Bulletin 20, chargeable conciliations. I participated as a member of the public in that. I think there were three of us who understood the document; I sort of understood it and was able to respond to it. Here is what the Ontario Home Builders' Association produced on behalf of the builders as a policy recommendation—it was undoubtedly prepared by lawyers—and these are the recommendations that were adopted.

I can give you more examples if you want because I've been five years trying to work to get reforms to this legislation, and we have been ignored. Now I know why; now I have proof why.

I am hoping that somebody in this room is going to feel the outrage and the shock and the disappointment I feel in our democracy because of this going on.

The Chair (Mr. Grant Crack): Thank you very much. We'll start with Mr. Hillier.

Mr. Randy Hillier: Thank you, Barbara, for being here, and thank you for being outraged. I think many of

us would like to see a greater outrage shown and greater passion shown about what is happening with our democracy and with this cash-for-access. Yes, many have known about it for a long time. As we've seen, it's getting worse and worse and worse. The patterns that have been shown in the media exposure by the Globe and Mail and by the Toronto Star are outrageous. It's unacceptable.

1450

I think you used the phrase "distorted and poisoned" our democracy. I think those are accurate words. They're good words to describe what has happened and what is continuing to happen.

Unfortunately, as much as we might say that this legislation is a step in the right direction, we have also seen and heard clearly that it will allow things to happen through the back door which it is now going to prevent from happening at the front door, making it more opaque, making it harder to see what is going on.

I don't want to put words in your mouth or anything, Barbara, but you mentioned in bullet 20 your involvement—I know of your involvement, and everybody in this committee should know of your involvement with Tarion and trying to get consumer protection legislation that actually protects the consumer.

I think that's what it really comes down to: your ability and the public's ability to be influential in public policy. This cash-for-access is prejudicial to you. It's prejudicial to you and to every homeowner when you know that the people in that arm's-length agency are also the same people who are attending those fundraisers. The minister who is responsible for them is inviting them out to \$10,000 dinners. You cannot square that with democracy.

Interjection.

Mr. Randy Hillier: Listen—

Ms. Barbara Captijn: May I ask another question, just dovetailing into what you're saying? Sorry to interrupt you, MPP Hillier. But what's my other option? We as consumers at our little kitchen tables don't have the money to go to \$5,000 or \$10,000 cocktails and dinner, but if you look at what some of these extremely bullying activist organizations are doing, they're getting the ear of the Premier.

I have somebody who says to me, "Barbara, you play by the rules. That's why you don't get anybody to listen to you. You call your MPP. You write letters and emails. You knock on doors. You come to depositions. You're following the rules. You should read Saul Alinsky's Rules for Radicals or whatever."

Does anybody in this room appreciate bullying and radical tactics? Is that what we have to do? Because coming back to your point—whether or not it is true, it doesn't matter—do you expect me to go and camp out on the Premier's driveway with a tent so that I get my position covered in the news and I get a hearing with the Premier? That'll do it.

That's what people have recommended to me. They say, "Barbara, you shouldn't play by the rules. You're

too polite.” Excuse me. I think that everybody in this room—I want to set an example for people. There are many young people watching politics. We should be proud to set an example. I want to be part of the example we set. I don’t want to be part of a bullying organization that uses tactics that—yes, indeed, they do get people to sign things and agree to things, but there’s something in me that still believes in democracy. I’m here because I want to believe in it.

I think that we all have to collaborate. I don’t think that we should be working at cross purposes. I guess my message to you is that the very people who are the most vulnerable in this equation and asking for your help in our democracy are the ones whose needs are being trampled upon. That’s wrong.

Is it true, whether or not somebody can afford to come in—you don’t want us to take the radical options. I’m sure you all don’t. I don’t want to do it. That’s not in my nature. That’s not how I was brought up and not what I learned about democracy in school. I hope they’re still teaching something in school about civics and democracy and participation in the political process. We have to work together.

I don’t know why my Liberal MPP is not responding to me. Why is Premier Wynne ignoring us? Why? Ms. Malhi, you are—

The Chair (Mr. Grant Crack): Thank you very much. We are going to be moving over to the third party. Ms. Fife.

Ms. Catherine Fife: Thank you very much, Barbara, for coming in today. I think everyone knows now how—

Interjections.

Ms. Catherine Fife: Are you finished?—how completely upset you are about this situation. I’m happy that you’ve been able to come in and address a consumer protection issue with a citizen protection issue. I think that’s my take-away from your presentation, because I don’t think that citizens should have to go to court to spend money to fight a government monopoly which was supposed to be protecting them.

Ms. Barbara Captijn: I agree.

Ms. Catherine Fife: The concerns with Tarion are well known and have been well known for many, many years.

I did want to raise one issue. I don’t know if you actually had a chance to go through Bill 201 but—

Ms. Barbara Captijn: I tried to.

Ms. Catherine Fife: —if there was an election in the fall, the way that this legislation is crafted, you wouldn’t be able to actually publicly advertise and voice your concerns about this piece of legislation or about Tarion. So it is important for you to share—I hope that you have the opportunity to do so—some of your concerns about Bill 201 to your network and then also have your concerns in writing to this committee. They may have missed the opportunity to appear publicly as a delegation, but we are still accepting written submissions, so please do that for us.

Ms. Barbara Captijn: I will. MPP Fife and group, it’s very difficult for us as consumers to understand the

legislation in the first place. I tried reading through that. Lawyers get together—lawyers and legislators make it. It’s not made for consumption by average Ontarians, which is a big problem and which is perhaps why you don’t see a lot of people involved in the process. But I will take your suggestion and pass that on.

Ms. Catherine Fife: Thank you. I’m thankful that the media has done some investigation. One of the challenges that we’re going to have as a committee is to ensure that, as the previous delegation said, we shed a light on where the money is going.

Will you comment on the \$7,750 contribution limit that still exists? Is that something that you think is a reasonable donation to a political party?

Ms. Barbara Captijn: I think it’s a lot of money for any Ontarian because, don’t forget, in order to put \$7,500 on the table, you have to make \$14,000. Who has got that kind of money sloshing around, as a private citizen? Okay, you get tax deductions from it. People don’t have that kind of—we should be thankful people are buying new homes in this province. To people who have jobs and stable families, \$7,500 is a lot of money.

Ms. Catherine Fife: Sure. Thank you very much. I do appreciate the fact that you took the time to come here. If you had any concerns that your outreach was not felt by the committee, I would like to assure you that it has been felt.

Ms. Barbara Captijn: Thank you very much. I appreciate that very much.

The Chair (Mr. Grant Crack): We’ve got the government side: Ms. Wong.

Ms. Soo Wong: Thank you, Barbara, for being here today, that on such short notice you were able to come and join us. I want to say that I appreciate your passion and advocacy. My colleague to my left, MPP Dhillon, is actually the PA to the minister responsible for dealing, right now, with the Tarion review. He heard what you just said, so I’m going to encourage you to follow up with MPP Dhillon on this particular file.

Ms. Barbara Captijn: Thank you. I’ve been to about six Tarion reviews. I’ve met the judge about six times, so he’s well aware. I want the Premier to understand this, madam.

Ms. Soo Wong: I think that before Minister Oraziotti got transferred to the MCSCS, he actually started that process. I think everybody in this room and beyond has heard the concerns about Tarion.

Ms. Barbara Captijn: When is the action going to be taken?

Ms. Soo Wong: Well, you know, let’s focus on Bill 201; that’s why we’re here today.

I want to get your opinion. As you know, the government is looking for feedback and, I would say, all three parties are looking for feedback on how to strengthen Bill 201. So I just want to get your opinion. Many of the presenters to this committee have asked for improvement in terms of disclosure of donors. I want to get your opinion with respect to the listing of corporate and union dona-

tions. Is this something that you would support, Barbara, in terms of disclosure of donations?

Ms. Barbara Captijn: Well, we know who is doing the donations now because the Globe and Mail has disclosed it.

Ms. Soo Wong: It's more than just the Globe and Mail. We have the Chief Electoral Officer here. I want your opinion. As an Ontarian, what is your opinion in terms of more public disclosure? Not just in the Globe and Mail or any other media outlet.

Ms. Barbara Captijn: Understood.
1500

Ms. Soo Wong: So in your opinion, would you support that kind of full disclosure?

Ms. Barbara Captijn: I'm not a lawmaker, I'm not a lawyer and I'm not a legislator. I would support any move forward in transparency, accountability and disclosure—all of it. Tell it all, all of the time. However, is that going to solve the issue that I'm here to talk about? I doubt it, because we already know who these people are.

Ms. Soo Wong: The other question I wanted to ask you is, do you have any concerns when employers may be associated with different political parties as a result of a donation by their employees? Because a lot of people have lives. Is there any way to implement employer disclosure? Have you thought of that kind of concern?

Ms. Barbara Captijn: Well, of course. For example, the past president of the Ontario Liberal Party is a senior vice-president at Tarion Warranty Corp. She was responsible for fundraising. If this looks like an apparent or perceived conflict of interest—and I think it is to most members of the public—that shouldn't be allowed.

This is common sense. I really think that is a job for the governing party. I think you know the answer to that. If you are, as Premier Wynne said, in your government, fully accountable and transparent to the public, those answers are clear. We shouldn't have to, by the way, file freedom-of-information requests and wait months for them and pay for them to get any of this information from government.

If that's what you're getting at, it should be transparent, accountable, disclosed—all of it—all of the time, as far as I'm concerned.

Ms. Soo Wong: Okay. Besides the disclosure and the transparency, any other suggestion to improve or strengthen the current existing legislation dealing with election reform?

Ms. Barbara Captijn: Now, that is a question I cannot answer because I haven't read the current legislation. Even if I read it, would I fully understand it? I'm here to talk to you about the consumer point of view. I'm not here to talk to you from the point of view of a legal expert or a legislator or even an MPP.

I think it's a question that is highly complex and that you have to consult with other consumers like myself in order to be able to form policy about that. You can't just ask somebody like me on the fly what I think. I think that if I tell you that I want everything to be transparent and

accountable and disclosed—all of the information, all of the time—it's pretty clear.

Ms. Soo Wong: In terms of the contribution limits, do you have any opinions about that? Because we've been talking about limits on contributions.

Ms. Barbara Captijn: I think that we should look at examples from other provinces and from the federal government who have outlawed campaign donations. I think that Alberta has, as well. I think that British Columbia has, as well. You would know that better than I do. But we have to look at experiences in other Canadian provinces and see how well that has worked should we implement something.

There is a reason that these donations were outlawed at the federal level. It doesn't mean that they've been completely eliminated, but experience should teach us something there. I think you're in a better position than I am to judge whether Ontario's rules should be modernized. These are old regulations. If this has been going on for years without the public knowing about it, again, I'll just say that I'm outraged by it.

Ms. Soo Wong: I'm going to see if my colleagues have any other questions. Do we have time?

The Chair (Mr. Grant Crack): I would say your time is up. I appreciate that.

I'll let one final comment go to Mr. Clark.

Mr. Steve Clark: I just want to thank you again, Barbara, for your comments. I know the frustration in your voice with trying to get the government to move forward on some of the reforms that you'd like to see with Tarion. I know you've lobbied members of the Legislature.

The only question that I want to ask you, because I don't think you mentioned it, is the riding that you're from. Would you be prepared to tell us what riding you are from?

Ms. Barbara Captijn: Of course. I live in Toronto Centre and my MPP is a cabinet minister. It's Glen Murray. Every time that I approach him on Tarion or the LAT, it's a stone wall.

Now, I get it: Somebody from on high has told him, "Look, don't respond to this woman." I haven't heard from him since 2011. He changes assistants. This is another tactic, I guess, that works. You just change assistants all the time and you don't respond. Ignore, delete, don't give them a platform, and there you go.

If I were to talk about climate change, maybe I would get in the door. To the average citizen just trying to buy a home, pay a mortgage and raise a family, climate change—although it's important and should be important—is pretty remote. This is current and present and affecting Ontarians right to the core. A lot of people I speak to don't have the knowledge or the time or the ability or even the willingness to participate in our democratic process to come here. It's not that they're not interested in the change; they say, "Barbara, how can you fight for something where people have been ignoring you for five years?" If you believe in the democratic process, you're going to keep trying.

The Chair (Mr. Grant Crack): Thank you very much. I appreciate you, Ms. Captijn, coming before committee this afternoon. I appreciate your remarks.

Ms. Barbara Captijn: I hope something comes of it.

Mr. Randy Hillier: Determination will prevail.

KEEP HYDRO PUBLIC

The Chair (Mr. Grant Crack): Next on the agenda is Keep Hydro Public. We have Doly Begum and, I believe, Marc Xuereb. Close? No?

Mr. Marc Xuereb: Good enough.

The Chair (Mr. Grant Crack): Maybe what we can do is have you introduce yourselves once you sit down. I want to welcome both of you to committee this afternoon. You have up to 10 minutes for your presentation, followed by up to 15 minutes for questioning from members of the committee. The floor is yours.

Ms. Doly Begum: Thank you, everyone. My name is Doly Begum. I am the provincial coordinator of the Keep Hydro Public campaign. Keep Hydro Public is a coalition that formed to stop the sale of Hydro One. I'm sure you've all already heard about that. We are made up of many unions, anti-poverty groups, environmental organizations, student groups, farmers, transit activists and many others. We're also proud to be working hand in hand with the Citizens Coalition Against Privatization and their Hydro One Not For Sale campaign.

The decision to privatize Hydro One has angered people across the province. About 83% of Ontarians oppose this sale. Our position is that the majority of Hydro One shares still belong to the people of Ontario and that it's not too late to stop the privatization.

We have been campaigning actively—

Ms. Ann Hoggarth: Mr. Chair?

The Chair (Mr. Grant Crack): Ms. Hoggarth? Is this a point of order?

Ms. Ann Hoggarth: I know this is early in the presentation; however, I do believe that these presentations were to be about the elections legislation that we're talking about. I hope that that is what we're going to hear.

The Chair (Mr. Grant Crack): I'm just listening, as I believe these are introductory remarks. I'm hoping that she'll move in towards Bill 201, so continue.

Ms. Doly Begum: Certainly; of course.

Since the government's plans to privatize 60% of Hydro One were made public last year in Ontario's budget, whether or not the government is successful in making this change, our intent is to campaign right into the 2018 provincial election to remind voters about this issue, about which Ontarians care very much.

There is widespread opposition to the plan to privatize Hydro One. Most Ontarians believe that hydro privatization is a terrible idea and want to put political pressure to stop the privatization of Hydro One. Keep Hydro Public is acting in the interest of Ontarians and is reminding the public of an important public issue.

The changes to the definition of "political advertising" contemplated in Bill 201 would make it impossible for us to continue our campaign six months before the next election, when voters are making up their minds about whom to elect for their government. We believe that this infringes upon the democratic right to freedom of expression of Ontarians.

The changes to Bill 201: We have three main concerns with the proposed legislation. The first one is the definition of political advertising. The second one is the six-month period during which political advertising is restricted. The third is the lack of provisions on the cash-for-access fundraisers, which was one of the leading reasons for introducing this legislation in the first place.

Going back to the first one, the definition of political advertising: Bill 201 defines political advertising as any "advertising that takes a position on an issue with which a registered party or candidate is associated." This definition is unnecessarily broad. If issues associated with parties or candidates are off the table, then what's left to do third-party advertising on? Surely no third party would want to spend money close to an election campaign on an issue that none of the parties or candidates have ever addressed. The federal legislation limiting third-party advertising, which was recently upheld by the Supreme Court decision, does not have this limit.

We would like to draw members' attention to the precedent you set in the recently passed Bill 181, which made amendments to the Municipal Elections Act. The original draft of that bill also included a prohibition on third-party advertising that was similar to Bill 201, prohibiting advertising on issues. After consideration, however, Bill 181 was amended to remove the broad definition of political advertising. So we ask that Bill 201 be amended in a similar way. Allow for issue-based advertising, so long as advertising does not name a specific party or candidate.

1510

Let me give you an example of the kind of issue-based campaign that Keep Hydro Public has been doing and would be doing during the election period. Our campaign to date has been very focused on Liberal MPPs, since they are the governing party responsible for this issue we're concerned about. When I went to look for any materials, any examples—and I hope everyone has this—I couldn't find anything that didn't actually have any of the Liberal MPPs or the Premier's name on it, because they are the ones responsible for this. I found something that's an example of this, and it has the Premier's name on this material.

We understand and agree that advertising naming the political parties or candidates during an election period should count towards election expenditure limits for parties and candidates. Our concern is with the blanket prohibition against political advertising that takes a position with which a party or a candidate is associated.

The leaflet that we passed around is by Hydro One Not For Sale. The second page includes Premier Wynne a couple of times. This leaflet could easily be turned

around into an election leaflet or ad by removing the reference to the Liberals or the Premier, and saying, "Vote for a candidate that will keep Hydro public."

Bill 201 would prohibit that kind of campaigning altogether for six months leading up to an election and the campaign period itself. This is an unfair limit on the democratic process in this province. Voters deserve to know about the issues that are being contested in elections, and the limits in Bill 201 would prevent organizations like ours from informing the voters.

The second issue that we have is the six-month period restriction. Six months is an overly long time period to limit third-party advertising, particularly when coupled with the fact that Bill 201 does not limit government advertising, which will give a tremendous advantage to the party in power. If there are no limits on government advertising, then it is unfair to limit third-party and issue-based advertising.

Let's just apply this example, the Hydro One issue, to the section of the proposed legislation. Six months from the election, the government could put out an advertising campaign bragging about all the public services that revenues from the sale of Hydro One funded. There could be regular TV commercials in every Ontarian's home with that message, but the Keep Hydro Public campaign would be unable to spend money to put out a different message. This is a very dangerous issue and it's also very dangerous for democracy.

Issue-based campaigns include citizens' groups that focus on issues that are impacting the lives of Ontarians. Political parties are not the only groups that have an interest in contributing to public discourse during election campaigns. In a healthy democracy, there is room for a multiplicity of voices. Moreover, the proposal to restrict third-party advertising for the six-month period before an election campaign has not been tested by the Supreme Court. A third party might make the case in court that the six-month prohibition on advertising is an unreasonable limit on freedom of expression. The Supreme Court has already heard a case on third-party advertising and the federal legislation does not limit third-party advertising for periods leading up to an election campaign. Therefore, we ask that the restriction on third-party advertising for a six-month period before an election campaign be removed.

Going to our third concern, the provision on cash-for-access fundraisers: Another concern we have with the proposed legislation is the absence of any new guidelines or restrictions for cash-for-access fundraisers for political parties. Remember that the public outcry that led to the introduction of this legislation came from the media stories about \$500,000 fundraising targets set by the governing party for cabinet ministers. One example of particular concern for supporters of the Keep Hydro Public campaign was a report that many representatives of the banks and investment firms who collectively made over \$56 million in fees for underwriting the sale of Hydro One shares attended a \$7,500-per-plate fundraiser for the Liberal Party in December 2015. The fundraiser

featured exclusive access to then-Energy Minister Bob Chiarelli.

When the public sees this kind of story, they draw the conclusion that powerful companies with deep pockets can gain access to government contracts by making large donations to political parties. The public was expecting draft legislation that arose from this story to include limits on cash-for-access fundraisers. This is a glaring omission from the current legislation, which is Bill 201.

Those are the three issues that we have. Just to recap, number one is to amend the definition of political advertising from a broad definition to a narrow definition. Number two is to eliminate the six-month limitation, especially because of the unfairness of allowing unrestricted political advertising by the government. The third is that the bill should focus on the outcry caused by the cash-for-access fundraisers. Why are we ignoring that fact altogether?

You are the lawmakers. I hope that you will make the amendments accordingly and uphold Ontarians' freedom of expression. Thank you.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Clark?

Mr. Steve Clark: Thanks very much for coming today. I just want to do a disclosure: I did cohost a meeting with the Keep Hydro Public group in my riding. I just wanted to disclose that to members of the committee. We didn't charge any access fee to you to come in; it was open to all the public, and it was very well attended.

I have to say that your three items are very important, very common in terms of what deputants have expressed, but especially the third item that you spoke about has to be very frustrating for you as a grassroots organization that has had meetings all across the province. I think pretty well every opposition MPP has tabled one of your petitions in the Legislature.

You feel like you have lots of momentum, and then you pick up a copy of the Globe and Mail and find out that the people who are profiting from the sale have got direct access by the Liberal government to the Premier and the Minister of Energy at a ridiculous price to most Ontarians. Any of your members who were at my public meeting would never dream of being able to afford \$7,500 to access a government member to try to counter that.

Would it be fair to say that that frustration, which I know I certainly share, that this legislation doesn't stop the Liberal cash-for-access scheme has to be a concern moving forward into the next election?

Ms. Doly Begum: Certainly. It was a surprise to me, because I read the amendments thoroughly and it's not included anywhere in that bill.

Mr. Steve Clark: Again, in terms of your organization, your organization has had meetings across the province, and not one of them, as far as I'm concerned, has charged any funds. You've just basically been able to connect with people. Your local campaign in my riding was probably next to nothing, yet you've got this wall of Liberal fundraisers that are really going to continue if this bill doesn't change.

Would you say that that, from your perspective, is the most concern, or are you equalizing the three concerns that you've got before the committee today?

Ms. Doly Begum: I think we'd like to equalize the concerns, because the people who would be most affected are folks who are paying rent, the low-income families. Those are the folks who are going to be paying a high price for hydro once Hydro One is sold off. Those people don't have the ability to go to fundraisers like that, to make an impact, to give donations to MPPs or MPs.

I think it's very important that we don't take away the power of those people, the low-income families who are already paying a high amount for their electricity. It's important that we don't take their freedom of expression.

1520

Mr. Steve Clark: Chair, I'll defer the rest of my time to my colleague.

The Chair (Mr. Grant Crack): Mr. Hillier.

Mr. Randy Hillier: Thank you very much for being here. See if you can comment on this. This is the way I see it: This bill, Bill 201, is ostensibly to prevent cash for access, but we know it won't. We know we've got loopholes and back doors on it. But put that in contrast with and in collaboration with preventing this sort of advocacy from happening, as well. We're going to continue to allow cash for access, but at the same time muzzle issues advocacy in the process. If we think things like the Hydro One sale are bad today, can you imagine what sort of policies we're going to have in this government if we continue to allow cash for access as well as muzzling grassroots organizations such as yourselves?

Ms. Doly Begum: I agree. It's scary, because if groups like ours don't have the ability to do anything within that six-month period, then the governing party will have the ability to say whatever they want in government ads and we won't have any power to say the opposite, to tell the truth to the people, to do any awareness campaign, because the issue will be taken over and seen as political advertising.

Mr. Randy Hillier: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Wong.

Ms. Soo Wong: Thank you, Ms. Begum, for being here today. Let me begin my question with a preamble, with the fact that you know the sale of Hydro One has broadened the ownership of Hydro One. But we'll also make the largest infrastructure investment on a number of fronts. You heard the announcement recently from the Minister of Education, when it comes to capital. I know, as a former trustee for the Toronto District School Board, that the Toronto District School Board is getting just over \$590 million—that's not a small investment—as well as the Toronto Catholic District School Board: over \$100 million for Catholic expenditure and improvements as well.

There is merit in some of the concerns. We certainly heard the concerns that you have raised. I've got very specific questions about the disclosure of donations that I want to ask your group. First and foremost, I'd like to hear from your group with respect to the third-party donations

and disclosures. Can you share with us, in terms of the disclosure requirement with the third parties in terms of year-round donations, does your organization support full disclosure? You heard the previous witness who asked for transparency in disclosure. Does your organization support that kind of disclosure and transparency?

Ms. Doly Begum: Okay. I'm going to talk about the first part of your statement and then I'm going to ask Marc to talk about the disclosure segment.

I have a question. If I want to do my homework, for example, I would need my lights on. I want to make sure that I have power to study for my tests. That is money that my parents, for example, or that I would need to pay for my electricity bills so that my children are able to go to school and have that education.

I don't think it's fair and I don't think it's appropriate for the government to play with the public's minds and make one important against the other. This is something that we always repeat, that, actually, a lot of people talk about and a lot of the folks who are involved in this campaign talk about: You don't sell off your furniture just to heat your house. That does not make any sense.

I don't think it's fair to the people that you give them education—and, by the way, there are a lot of problems with our education system. But you don't give education and take away hydro. What's going to happen when we don't have that asset anymore? Right now, the government is able to make revenue from Hydro One, which will go away.

I understand, according to the Liberal budget committee, that for a year, yes, there will be benefits. There will be debts that will be removed because of the money that the government gets from the sale. However, what will happen after that year? There will be devastating impacts. There will be a lot of negative impacts, as your committee already pointed out, from the sale.

I don't think it's fair that we talk about health care or education or transportation and get rid of Hydro One just because we need one and not the other. I think they're equally important and we have to make sure—

Ms. Soo Wong: Can you focus on the question I asked you about Bill 201? That's why we're here today.

Ms. Doly Begum: Sorry.

Ms. Soo Wong: With regard to the issue of the disclosure, the requirement to ask a third party when they make donations and contributions—because continuous witnesses have asked us for full disclosure. Does your organization support that transparency of donations from everybody, especially third-party donations, year-round?

Ms. Doly Begum: I'm going to let Marc answer that.

Mr. Marc Xuereb: I'm a little confused. Donations to political parties?

Ms. Soo Wong: Yes.

Mr. Marc Xuereb: That's not something we're talking about in our brief here. The Keep Hydro Public campaign has not made donations to political parties.

Ms. Soo Wong: We're here today to hear from the public, to get their feedback about the proposed bill, Bill 201. So my question to your organization is, what is your

view about full public disclosure when it comes to third-party contributions?

Mr. Marc Xuereb: Third-party spending? If that's what you mean, spending money on putting something like this in a newspaper or—

Ms. Soo Wong: No, for an election.

Mr. Marc Xuereb: Yes—during the election period, or during the six months, as Bill 201 proposes. Would we be in favour of disclosing those expenditures? Sure, that's fine.

Our issue is with the broad definition of political advertising that's in the bill. As Doly explained, we like the way Bill 181 was amended to get rid of that broad definition. So if you made that kind of an amendment—we're okay with having some limits on third-party spending. The Supreme Court decision upheld the federal government's legislation on third-party advertising, and we're okay with that. Let's do something similar here. What we're not okay with is having this broad definition of what constitutes political advertising. We think this, minus Premier Wynne's name, should be fair play six months prior to a campaign and even during a campaign. We'd be fine with disclosing how much a third party like ours were to spend in those time periods.

Ms. Soo Wong: In your presentation, you commented that the six months is a concern. What about the amount? I think the proposed bill talks about a range between \$100,000 to \$600,000. Do you have a problem with that limit? Is it too high or too low? Do you have any comments?

Ms. Doly Begum: I think it's not a problem of the amount. The fact that it restricts any political advertising and the definition of political advertising includes—pretty much everything that we're doing would be under that definition. Therefore, we wouldn't be allowed to do anything within that six months or during the election time, and that's problematic to us, which is why we're here. It's not just about the amount of money. If you look at the amendments, three or four segments of those amendments include political advertising and the time period, which is what we're mainly concerned about.

The Chair (Mr. Grant Crack): We'll move to Ms. Fife for final comments.

Ms. Catherine Fife: Thank you very much for coming in and sharing your concerns.

Just on the last piece around disclosure: If the government has capped it to \$100,000, \$100,000 is not going to go very far to get flyers out in the province of Ontario. So do you see that limitation as preventing you from sharing information with Ontarians?

Ms. Doly Begum: The fact that the government is allowed to do any sort of advertisement during the six-month period and during elections, while third-party organizations, which are representing the issues of the public, are limited is outrageous. It's very concerning. With \$100,000, you wouldn't go that far.

Ms. Catherine Fife: We've heard from ONA today. We've heard from the social planning council. We've heard from, of course, the advocate for Taron reform.

They've referred to it as undermining of the democratic process and the voices of citizens.

It is encouraging, though, that the electoral officer has recommended that the six-month period not be applied to pre-writ. Obviously, when you're talking about issue advocacy and political advocacy, it means different things to different people at different times—and if the government doesn't want to hear it, they can actually stifle the voices of citizens.

Thank you for also making the point around government advertising. This is a concerning trend that we're seeing in the province of Ontario. You'll know that the government did change the Government Advertising Act back in 2015 through the budget process, and the auditor said she regarded these restrictions as gutting that act. So there are two things happening here that create a great imbalance for the citizens of this province.

1530

I want to go back to the cash for access, because I'm hopeful that we can get the six-month pre-writ period changed. This act is at first reading. We'll be making many amendments; I'm sure the PCs will be as well. But the issue of cash for access and the perception of collusion, if you will: Can you speak to how that affects our democracy? Because that's what we're trying to get to: We're trying to solve not just the access, but, in the instance of Hydro One, the contributors who were awarded the IPO contract for the sell-off of Hydro One did go to high-priced fundraising ticket items. Right?

Ms. Doly Begum: I think the speaker before also pointed this out: The folks who are able to go to these kinds of fundraisers, for example, are not the people who are going to go on the streets for hydro. They're not the ones who will be worried about the price of hydro going up. It's really scary that folks who are buying off shares from Hydro One are the people involved in these kinds of fundraisers. They're the ones who are profiting from it, and you're allowing the government to do this kind of fundraising while you're taking away power from third-party organizations—and limiting it to \$100,000, because you wouldn't really go that far.

The reason why we're doing Bill 201 is because of that. The entire bill should be focused on that. The entire bill should focus on how these fundraisers take place and who benefits from them, not all these other factors—which are important, but the fact that this is not addressed is really concerning.

Ms. Catherine Fife: We did hear from one delegation in Ottawa, and he said the voice of a donor to a political fundraiser shouldn't be viewed as louder or more important based on the amount of money they donate. Do you agree with that statement? It's a very simple question, really.

Ms. Doly Begum: I think we do. In terms of Keep Hydro Public, the coalition members agree with that and the people agree with that. Yes, it's a very valid point. There's nothing really to—

Ms. Catherine Fife: I think what you've done for us today is you have raised a consumer protection issue,

which is the citizens of this province and their hydro rates, with the issue of protecting the rights of citizens through the democratic process as it relates to where the money is going in the province of Ontario. Bill 201 needs a lot of revisions. The loopholes in this piece of legislation are very wide. The conflict-of-interest piece needs to be addressed as well.

We'll be able to reference your concerns around freedom of expression and unrestricted political government advertising as we try to craft it and make it stronger, but written submissions are also accepted if you feel free to bring those forward from your other stakeholder partners. I don't know if you knew this. It is the summer. It's hard to get the attention of people. When they do realize what this act does, they have grave concerns, but we have not had a huge uptake in presenters to this committee thus far.

Thank you very much.

Ms. Doly Begum: Thank you.

The Chair (Mr. Grant Crack): I'd like to thank both of you for coming before committee this afternoon and for your comments. Have a great afternoon.

COMMITTEE BUSINESS

The Chair (Mr. Grant Crack): Prior to adjournment, we've had a request from Mr. Hillier to table a suggestion, so I shall give the floor to Mr. Hillier for a couple of minutes.

Mr. Randy Hillier: Thank you for your indulgence. We see now what the schedule has shaped up to be for the rest of the summer for this committee. This discussion may best be dealt with at subcommittee, but I'd like to raise it now anyway and see if there's agreement and whatnot.

We're seeing that there's not enough uptake for the northern leg for this committee, and Thunder Bay, North Bay and Sudbury are not on the schedule as it was envisioned. But we are seeing and there have been invitations for this committee to go out to the Integrity Commissioner and the Auditor General. The Chief Electoral Officer is to make a presentation on, I think, Thursday, August 11. That was the last day of the northern trip. I would like to suggest that if there is enough uptake, if there is enough desire expressed, the committee sit for another day in Toronto—or whatever time is allotted, they move the days from the northern trip to Toronto hearings if there is enough interest for that.

The Chair (Mr. Grant Crack): Thank you. Ms. Wong?

Ms. Soo Wong: Thank you very much, Mr. Chair. Given Mr. Hillier's request of sitting an extra day, normally it goes to the subcommittee to decide. I am going to suggest, or maybe move a motion, that the suggestion from Mr. Hillier can go to the subcommittee to make a decision. At the end of the day, it's always been the subcommittee that decides whether the group travels or scheduling activities for committees, like an extra day.

The Chair (Mr. Grant Crack): Further discussion? Mr. Clark.

Mr. Steve Clark: I agree with the subcommittee.

The other day that we didn't have enough uptake on was the first leg of our southwestern tour where we were supposed to go to Hamilton. So that Monday could also be a suggested date where we could do some of the Toronto hearings, because I believe the next day we go to Kitchener-Waterloo. We could do the Monday here, Kitchener-Waterloo Tuesday, and then on to London and Windsor. That's a suggestion for the subcommittee to consider.

Mr. Randy Hillier: Maybe I'll leave it with the Clerk, if we could arrange a subcommittee meeting to discuss those items.

The Chair (Mr. Grant Crack): Okay. Anything the subcommittee agrees to will have to be agreed to by the full committee, so we'll try to do our best to make sure we can facilitate that before the next meetings.

Ms. Fife?

Ms. Catherine Fife: Thank you, Chair. I think we have to have a sort of long-term view of how this committee is actually going to process some of the stuff that we've also heard.

And then, because this piece of legislation is at first reading, is it anticipated that we'll make amendments at the end of the summer and then we will take this piece of legislation back out to tour it for a second round at second reading? Is that the goal? If so, then we actually have a safety net to take this piece of legislation back out again.

Mr. Randy Hillier: We would need to have unanimous consent of the House not to go to hearings after second reading unless—

Ms. Catherine Fife: I'm sorry; I don't really understand that.

The Chair (Mr. Grant Crack): Okay, I believe that the process would be: This is first reading, so that's understood. It will go back to the government after we conclude our business—

Ms. Catherine Fife: After clause-by-clause at the end of the summer?

The Chair (Mr. Grant Crack): At the end of the summer, as per the direction from the House and what was agreed to by the committee. It will go back to the government for second reading to be introduced into the House. And then, from what I can understand, at that point it's just normal process after that. There's been no clear definition of where we go prior to the House resuming sitting in mid-September. That's all yet to be determined.

Ms. Catherine Fife: In that case, we do need to make an extra effort to take this piece of legislation out now at first reading. Even ahead of the subcommittee meeting, I would express interest in using that Hamilton day here in Toronto. I don't see why we couldn't come to a consensus.

Ms. Ann Hoggarth: Well, you're on the subcommittee.

The Chair (Mr. Grant Crack): So there has been a request to send it to the subcommittee. It looks like that's the consensus. We thank you for your input. I will speak

with the Clerk and we will organize a subcommittee meeting with some proposals, perhaps.

I guess that's it for business. I want to thank everyone for their hard, hard work this afternoon and this morning, for their great work. Thanks to everyone. I can go through the whole list, but I hope everyone is having a great summer. Thank you to the translation services that I always omit to thank. So thank you all.

Mr. Randy Hillier: Chairman Crack.

The Chair (Mr. Grant Crack): Yes, sir?

Mr. Randy Hillier: You're doing a very good job.

The Chair (Mr. Grant Crack): Mr. Hillier did say that the chairman is doing a great job. I appreciate that. Thank you very much.

This meeting is adjourned.

The committee adjourned at 1539.

STANDING COMMITTEE ON GENERAL GOVERNMENT

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CONTENTS

Monday 11 July 2016

Election Finances Statute Law Amendment Act, 2016, Bill 201, Mr. Naqvi / Loi de 2016 modifiant des lois en ce qui concerne le financement électoral, projet de loi 201,	
M. Naqvi	G-1287
Mr. Jean-Pierre Kingsley	G-1287
None of the Above Party	G-1295
Mr. Greg Vezina	
Mr. Louis Kan	G-1300
Ontario Nurses' Association	G-1304
Ms. Vicki McKenna	
Mr. Lawrence Walter	
Communist Party of Canada (Ontario).....	G-1308
Mr. Dave McKee	
Canadian Civil Liberties Association.....	G-1312
Ms. Cara Zwibel	
Social Planning Toronto.....	G-1315
Mr. Sean Meagher	
Ms. Barbara Captijn	G-1318
Keep Hydro Public	G-1323
Mr. Marc Xuereb	
Ms. Doly Begum	
Committee business	G-1327



G-63

G-63

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Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Tuesday 26 July 2016



Journal des débats (Hansard)

Mardi 26 juillet 2016

Standing Committee on General Government

Election Finances Statute Law
Amendment Act, 2016

Comité permanent des affaires gouvernementales

Loi de 2016 modifiant des lois
en ce qui concerne
le financement électoral

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Tuesday 26 July 2016

Mardi 26 juillet 2016

The committee met at 0900 in the Holiday Inn Kitchener-Waterloo Hotel and Conference Centre, Kitchener.

ELECTION FINANCES STATUTE LAW
AMENDMENT ACT, 2016LOI DE 2016 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LE FINANCEMENT ÉLECTORAL

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.

The Vice-Chair (Mr. Lou Rinaldi): Good morning. I would like to call to order the Standing Committee on General Government to deal with Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007.

SUBCOMMITTEE REPORT

The Vice-Chair (Mr. Lou Rinaldi): The first item on the agenda is the report of the subcommittee on committee business dated Wednesday, July 13, 2016. Do we have somebody that—

Mr. Steve Clark: I'm not a member of the subcommittee but I'm pleased to move the motion to get it on the floor, Chair.

The Vice-Chair (Mr. Lou Rinaldi): Absolutely. MPP Clark.

Mr. Steve Clark: That's okay with the other members?

The Vice-Chair (Mr. Lou Rinaldi): Yes.

Mr. Steve Clark: Your subcommittee on committee business met on Wednesday, July 13, 2016, to consider the method of proceeding on Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007, and recommends the following:

(1) That the committee hold public hearings on Bill 201 in Toronto, at Queen's Park, on Wednesday, August 10, 2016, if warranted by demand, as per the guidelines adopted by the committee on Wednesday, June 8, 2016; and

(2) That the Clerk of the Committee, in consultation with the Chair, be authorized to commence making any

preliminary arrangements necessary to facilitate the committee's proceedings prior to the adoption of this report.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, MPP Clark.

You've heard the motion. Any comments? All in favour? Done.

Mr. Steve Clark: Chair, can I just add a vote of thanks to the staff of the committee? I understand that we're live streaming this event; that's what I was told. Is that true?

The Vice-Chair (Mr. Lou Rinaldi): We better be.

Mr. Steve Clark: So I just want to thank everybody for doing that. I know Mr. Hillier and I harp on that many times. I just want to thank everyone for doing that. I really appreciate it.

The Vice-Chair (Mr. Lou Rinaldi): And I'm sure we'll all act on our best behaviour.

Mr. Steve Clark: Absolutely. I can only speak for myself, Chair.

The Vice-Chair (Mr. Lou Rinaldi): Perfect. I can count on that.

MS. EMILE-ANNE LADUBEC

The Vice-Chair (Mr. Lou Rinaldi): We'll move right along. Our first presenter is Emile-Anne Ladubec. Welcome. If you would come forward. Good morning.

Ms. Emile-Anne Ladubec: Good morning.

The Vice-Chair (Mr. Lou Rinaldi): Relax.

Ms. Emile-Anne Ladubec: Where do I sit?

The Vice-Chair (Mr. Lou Rinaldi): Right there. You have 10 minutes for your presentation. You don't have to use it all but you're welcome to use it all. After that we have 15 minutes for committee members to ask any questions or any clarifications. If you could mention your name and who you represent at the beginning, for Hansard, it would be greatly appreciated. The floor is yours.

Ms. Emile-Anne Ladubec: Hi, Chairman Crack, and members of the committee for Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007.

I want to thank everyone here today for your time. We may not be on the same side of the table, the same side of life, but all of Ontario and its people are the common interest because it is our home. We need to get moving towards a positive change, so let me be the first to extend my love and kindness to all. I am not here to judge

anyone, but what I offer you is a realistic human view on Bill 201, which should be known as the “elections honesty bill.”

My name is Emile-Anne Ladubec. I was born in Sault Ste. Marie and spent most of my 40 years in Ontario, making me a specialist at living here and dealing with the system. I was raised to become a nun in the Roman Catholic faith so my schooling was the street people, the poor, the old and the forgotten kids. I may have left my brick church but I've never swayed my faith in God, my government, or my fellow men.

I am not a politician but I came here today because I was asked by my government to get more involved in the process. Our open government partnerships make it easy for me to be here, but I assure you it is not. Let me get through this the best way I know how, with feelings and reality.

The main points I want to touch on are open and honest communication, transparency, trust and accountability. Together, with a strong, positive government voice and with the trust of Ontario's people, we can build our relationship, bring Ontario to the front of the honesty line and have others follow us. This is our bill.

Big money in government presents itself as weakness in the ones that it touches. Understand that civil unrest and great disconnect in a very connected world is what this bill may cause if it doesn't stick to the open government partnership we've been a part of since 2011.

We live in a world where people are unhealthy and unhappy with some current situations being imposed on us in our daily lives, and it needs to end. This is the elections honesty bill. We need to fix it to reflect just that.

I am a voice for the masses that are going from the middle class to the poor, and the poor to the food bank families. I speak for the homeless and those who are left behind. But let's not let that happen here—not this time, not to our people and not to this bill. Let corruption and cover-ups find somewhere else to hide, far away from our elections process and everyone involved in it. Let's keep it fair.

A loophole, by definition, is an ambiguity or inadequacy in the law or a set of rules. I googled it. It's what the people of Ontario are doing, and we are learning by being connected to others. I've also learned about hidden agendas, regulatory transparencies in other branches and comprehensive fundraising forums, scandals and lies. Ignorance is bliss, but knowing hurts us all on an embarrassing level.

Canada's very meaning stands for love, peace and harmony; but if it's anything less than that, it's because unscrupulous morals have infected the level of government that was put into place to help us, not hurt us.

It was even tough to start this process. I had to assimilate myself into a separated collective to understand what is going on behind closed doors. My first hurdle is still just talking to someone. If you don't speak the language, communication is not open or effective in a positive manner due to a preconceived notion of how others work.

There is a great divide in the language and understanding for the people and government alike.

Our open government partnership and people all over the world are starting to stand up and take notice that something is wrong with the institution, and they know it's time to take action. There have been movements in our world's history: church, state, along with government and science, but now we are seeing a technological age intertwined with a social movement. The reality is that the face of the world is changing, and Ontario needs to move forward with a change, or the dark days of government may be long and brutal for all.

Bill 201 paints a harmful picture of the government and the company it keeps. Government should be held to the highest standards of openness and transparency; it shouldn't be a secret, coded society.

As Canadians, we are watching breaking news. The government has failed to keep its people safe. The divided states of America and Canada share the longest border in the world. We hear the American news, we watch the American wars and we are currently watching their version of politics. We watch it because it affects us directly. We are watching the spraying of putrid hate towards the current government and all non-supporters. That's not how I want my government to act when it comes to our politics.

Big money is corrupt money and corrupt money is self-interest. It makes good people do some very appalling things, which starts a snowball of lies and deceit and leads to rabbit-in-the-hat, “don't watch my hands” policy-making-type deals.

So what happens when self-interest is at the top, with the government in the middle and the common interest at the rock bottom? Common interest has nowhere to go but up when pushed, and it will be armed with the knowledge of the open government movement that our Liberal Prime Minister believes in, as does the common interest. If someone is going to give and lose, let it be the corrupt.

Buying access to power and the policy-changers is not a secret to the common interest. It's been shown in advertising and the news at an alarming rate. Now we should be able to see how much of our money is going where. The government is not in business to make money, and neither should our politicians, from the highest-ranked to the city levels.

0910

The struggling workers barely make enough to pay taxes, only just to live to pay more taxes for the next round of cuts and barely covering their basic human needs. This is, at each step forward, because it's supposed to help everyone at some point, but when? Who are we helping, again? Big money? Our common interest? Who's actually being held accountable?

We are seeing an uprising of people wanting answers and governments with their hands full. Canada is being shown that we don't have to sit down and take it anymore. Our TVs and Donald Trump are telling people around the world to take back their countries from their

ailments and their governments. We see that times are shifting.

Self-interest in a politician looks like greed. It turns a blind eye and is ugly. If you don't stick up for everyone, you will fall to the almighty dollar.

Spending thousands for a plate to influence people making my laws is something I'm having trouble understanding. For various specifics such as dollars, I leave it in the hands of my officials to play fair.

Remember, just because you can't see us doesn't mean we are not here. Butterflies' wings can move mountains miles away, and a pen stroke will affect multitudes on an enormous life scale. The people are up against a wall, and we are getting slammed over and over. A little help would be nice, please.

Accountability: The general knowledge among the common interest is that the government knows who we are, what we make, who we owe, where we live and with whom. Our sex and our sexual orientation is even known. It's the law for us to tell you the truth and nothing but the truth every day of every year of our lives. It's done with a yearly checkup called tax time, and most recently, the snapshot of Canada, the census. That was the law. It seemed like a fear campaign using a bombardment of TV ads and multiple snail mails screaming at us, "It's the law." Most of us comply because we have no choice. Why should our government not be held to the same standard? Who's going to hold them to the same standards?

The Vice-Chair (Mr. Lou Rinaldi): Ms. Ladubec, you have about a minute left.

Ms. Emile-Anne Ladubec: Okay. In conclusion, this is called 180 thinking. How would it feel if you had your lives under a magnifying glass at the same magnitude of the common interest, while everyone sifts through your personal life and financial statements? The only thing you can do is pay more taxes—be heard less by a lady behind the counter who is following the law, and her hands are tied. She can't answer your questions here, but "Thank you very much for your payment." All the while, you hear, "Please make sure you have your number and all your ID and paperwork ready. Don't miss your number when it's called because you'll be placed on a list that's six months to over a year long, and we don't provide the lube. Next person in line, please."

Bill 201 is a reality check that should be taken seriously. When Ontario and the rest of Canada reads, "Comprehensive fundraising reform is essential to renewing our democracy and to restoring trust in the integrity of government decision-making"—it turns my head, and I'm going to be listening and reading on why this is such a big issue. I will be following and speaking up until the end.

Thank you for your time.

The Vice-Chair (Mr. Lou Rinaldi): Thanks very much for your presentation. You got through it.

For committee members, you know what the rules are. We have about 15 minutes. I'll try not to use a stopwatch,

so please be cognizant of your colleagues and leave some time for all of them.

First, I have Ms. Wong, then Mr. Clark, and then Ms. Fife.

Ms. Soo Wong: Thank you very much for being here this morning.

I have a very specific question dealing with a proposed legislative change. With regard to Bill 201, I would like to hear your ideas about improving this particular bill. I want to ask you, with regard to how to strengthen this particular piece of legislation—first of all, can you share with the committee, how do we level the playing field in terms of contributions by corporations versus the unions? What is your view about donations from both corporations and unions?

Ms. Emile-Anne Ladubec: I actually don't think that unions and corporations should be donating to any political party, simply because when I see this happen, I'm seeing ads that are run and they're hate ads. They're disguised as hate ads against the other people. I just don't think that—

Ms. Soo Wong: I've got other questions because time is limited. Let's just—I thought about that too.

My next question is: In terms of per-vote allowance, what is your view about that in terms of helping transition to more grassroots funding of parties? What is your view about per-vote allowance?

Ms. Emile-Anne Ladubec: I have actually only read about it. I have no comment at this time because I'm only trying to get people in my government to see just the human view. If there are any specifics on how it should be run, I leave that to my elected officials.

Ms. Soo Wong: My other question is: What is your view about lowering the contribution limits for individuals? We heard you don't support corporation and union contributions; what is your view about individual contributions?

Ms. Emile-Anne Ladubec: I believe that as individuals we should all make a contribution because it does help move who we believe is standing up for us—it helps move them forward.

Ms. Soo Wong: What is your view about donation limits for third parties?

Ms. Emile-Anne Ladubec: I don't think there should be any donations from third parties.

Ms. Soo Wong: And why not?

Ms. Emile-Anne Ladubec: Because donations from third parties usually mean, in the eyes of the people, hate ads. It seems like they're being bought, the third-party people. It just seems like people are buying out our politicians, so the third-party people should just not be there. Does that make sense?

Ms. Soo Wong: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Ms. Wong. Mr. Clark.

Mr. Steve Clark: Thanks, Emile-Anne, for being here. I appreciate your presentation. You've said a lot of very strong things about corruption and cover-ups. I like

the way you referred to this bill as the “elections honesty bill.” I really appreciate your comments.

Some of the things that we’ve been talking about are about levelling the playing field and taking big money out of politics. I’d actually like to read to you from a story that appeared in today’s *Globe and Mail*. I’ll just read you the first paragraph. I’d like to know your feelings on the story.

It says: “Ontario Ministerial Aides Tapped to Sell Tickets to Fundraisers.” The first paragraph of the story says, “Political staff of many Ontario cabinet ministers double as fundraisers for the Liberal Party, encouraging companies that do business with government to buy tickets to private events hosted by the same ministers who make decisions on contracts and policy.”

Do you have any comments on that paragraph in that story? Are those some of the things you’d like to see taken out of politics by this bill?

Ms. Emile-Anne Ladubec: Yes. I don’t believe that people should be buying tickets to talk with lawmakers. I get that our lawmakers need to make money somehow, but I don’t believe that it should be from the people who buy the tickets to come talk or to sit and have supper or whatever they’re doing, because that actually shows that these people who are coming in are buying lawmakers’ opinions. At least that’s what it seems like. It just shouldn’t be there.

Mr. Steve Clark: Yes. And do you feel that there’s the look of—by allowing aides to sell tickets to fundraisers and being the point of contact, do you think that puts a cloud over the policy and contracting decisions of the government?

Ms. Emile-Anne Ladubec: This would be the aides selling the tickets?

Mr. Steve Clark: Yes, this would be the aides being the fundraisers, being the ticket-sellers.

Ms. Emile-Anne Ladubec: The fundraiser ticket-sellers? That’s a little more acceptable than, say, the politician, him or herself, doing the fundraising because people are set up to help in whatever which way they can. But to sell tickets to a fundraiser, I think generally that’s not even fair because people like me, who are middle- to lower-class, can’t afford these tickets. These are the people who are helping persuade whatever the party the tickets they’re buying for.

0920

Mr. Steve Clark: One of the other issues that we’ve had before the committee is this issue of a corporation or a lobby firm or a union providing, during an election period, labour to a campaign office. Would you think that should be recorded as a contribution? Do you think it should be outlawed?

Ms. Emile-Anne Ladubec: Is it paid?

Mr. Steve Clark: Yes. The corporation or the lobby firm or the union would pay the employee, and they would end up working at a campaign office.

Ms. Emile-Anne Ladubec: I don’t think that’s right. To me, what that looks like is that this corporation or union is paying someone to be in there to change policies

or to help change the policies, so it looks shady. The people who are in this office here shouldn’t be from here, here and here. These should just be the people of Ontario.

Mr. Steve Clark: Thank you, Emile-Anne.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Fife.

Ms. Catherine Fife: Thanks, Emile-Anne, for coming in today. I know you were nervous at the beginning, and this is your first time appearing before a committee. I know it’s intimidating, but it’s really important that you came today and shared your perspective, an Ontarian’s perspective, about what we’re trying to accomplish here.

I also want to thank you for greeting us with love and kindness. Politicians don’t get that a lot.

Also, our work before this committee is very important, and you’ve lent your weight to that. Our job is to put the elector at the centre, and we’re charged with instilling some confidence back into the electoral process and our democracy. You spoke quite eloquently to that. Some of the language you did use is very strong but very accurate, so I just want to thank you for that.

But when you talk about corruption and cover-up going somewhere else, and when you talk about access to power and that government shouldn’t be a secret-coded society, that’s genuinely how you feel, that government is something separate from the electorate. Is that true?

Ms. Emile-Anne Ladubec: Yes. It’s just a general feeling among the people of Ontario, that trying to talk to anybody from the different side of the table is tough. I don’t even know how I kept it together here, trying to answer questions that aren’t necessarily used every day towards the regular people of Ontario, because I was caught up in words I didn’t even know.

There is such a great divide between me and everybody here. But we have people like you, people like everybody here, who care about where this bill goes and how, actually, we see our politicians. When we look at them, we see corruption, we see lies and we see what’s going on. We also see what’s going down in the USA. It’s just open borders. We catch that in Canada, watching—

Ms. Catherine Fife: It’s interesting that you reference the United States, because in the United States, they do have very strict disclosure rules. For any politician, you can go online and you can find out who has donated to their party—

Ms. Emile-Anne Ladubec: Wow.

Ms. Catherine Fife: —how much, and even what their targets are. You said something about being open and transparent, and we hear a lot about that with this particular government, but we need to actually put it into action.

Finally, the takeaway for me is when you talked about policy-making deals which leave the common interest at rock bottom. That’s something that I will be quoting as we move forward, because that’s the work before us.

Thanks for coming in today, Emile-Anne.

Ms. Emile-Anne Ladubec: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): No further questions? Thank you so much. You survived.

Ms. Emile-Anne Ladubec: I know. Thank you, everybody. This is fun.

The Vice-Chair (Mr. Lou Rinaldi): We look forward to seeing you again.

Ms. Emile-Anne Ladubec: I hope I answered your questions. Thank you.

SOCIAL PLANNING NETWORK OF ONTARIO

The Vice-Chair (Mr. Lou Rinaldi): Next we have Peter Clutterbuck from the Social Planning Network of Ontario. Welcome. You've heard the routine. You've got about 10 minutes for your presentation. If you can please state your name at the beginning, and who you represent. The floor is yours.

Mr. Peter Clutterbuck: My name is Peter Clutterbuck. I'm a senior community planning consultant with the Social Planning Network of Ontario, an incorporated non-profit organization with about 20 local and regional social planning bodies across the province, with two of them, actually, here in the region. Social Development Centre Waterloo Region's Trudy Beaulne, our board member, will be speaking on behalf of that organization. We have an extensive network of community members and non-profit and charitable community-based organizations at our local level.

The SPNO exists to build and support community capacity, not only for purposes of sound community planning but also to develop and strengthen the range and quality of social services and supports for vulnerable populations in Ontario's communities. This activity necessarily involves engaging communities in discussion on many public policy issues, which Ontario's provincial political parties' elected representatives and electoral candidates deal with during and between elections.

In that regard, our interest in the social planning community development field and the interests of the people in community-based organizations across the province with which we work would seem to fall within the definition of "third party" in Bill 201, especially since restrictions on political advertising in the amendment include issue-based advocacy—hence I've been asked by the board to speak here today on behalf of the SPNO with respect to some concern about provisions in Bill 201 that would inhibit the ability of community-based organizations and their members to participate in the democratic process.

Our approach to democratic debate is value-based—very definite values like inclusion, equity, social justice, participation, diversity, community accountability and transparency. This is the lens through which SPNO and much of the non-profit social sector analyzes public policy affecting the people that we serve, and the lens that we use to advance our own public policy proposals for government consideration.

Very definitely, political partisanship in general or on any specific issue is not part of the non-profit social sector's approach, although individual members and

leaders with community organizations naturally make their own personal choices with respect to party affiliations and preferences.

In the registered charitable sector, non-partisanship requirements and other restrictions on advocacy activity are enforced by Revenue Canada. In the social sector and, we would argue, other sub-sectors without charitable status such as SPNO, non-partisanship is the common practice in engagement in public policy debates. There is much broader work to be done in the human services field to not risk losing access to the wide base of community volunteers by adhering to or advancing one political ideology or perspective in general or any issue of the day.

We recognize, however, the growing concern about third-party groups and coalitions that are particularly active prior to and during elections in promoting interests closely adhering to particular political parties. We recognize that this is one way to avoid the legislated limits to direct financial contributions to, or spending by, registered political parties. Most deputants to the committee have acknowledged that this is a part of the political arena that requires some regulation to maintain a level playing field in the electoral process.

If this is seen as a problem requiring fixing, our argument is that more targeted tools should be developed and applied rather than broad measures that create collateral damage to the ability of the larger non-profit and charitable sector to participate in a non-partisan way in the democratic process.

Some of our specific concerns—really, three. The definition of political advertising: Subsection 1(4) of the amendment defines political advertising as "advertising in any broadcast, print, electronic or other medium" that promotes or opposes registered political parties but also "includes advertising that takes a position on an issue with which a registered party or candidate is associated."

First, while the non-profit sector does not typically characterize its advocacy positions as political advertising or even just advertising, it does employ the various forms of media specified in 1(4). The sector gets neither relief nor greater certainty about the scope of this definition from the five exclusions included there. The use of multiple media is essential in community education work to build both public and political support for improved living conditions and opportunities among vulnerable and disadvantaged parts of the population.

Secondly, to be current and relevant to the communities that they serve, non-profit organizations inevitably engage in issues of public debate that are associated with registered political parties and candidates. There is little purpose in voicing a point of view on an issue of interest to the public or a vulnerable community group if the intent is not to urge candidates and parties to support those positions in their platforms and plans for action if elected. We would argue that more often than not, community groups have advocated policy proposals before politicians stake out their own positions and become associated with an issue or a cause.

0930

The amendment's definition of political advertising very definitely includes the kind of advocacy work done in the non-profit sector, and I want to give you a very clear and relevant example actually using the electoral process: an election sign campaign that promoted a poverty-free Ontario during the 2011 provincial election.

Since 2008, a poverty reduction strategy had been on the public agenda—in no small way because of community-based advocacy prior to the 2007 election—and political parties had taken their particular positions on the issue of poverty. Poverty Free Ontario, a province-wide coalition of community members and groups, decided that the way to get the issue in front of the electorate for the 2011 election was to produce and distribute election lawn and window signs with the message “Let's Vote for a Poverty Free Ontario” and to encourage province-wide support and discussion on websites, social media and community events, including all-candidates meetings.

Black and white in colour, so as not to be associated with any of the four registered political parties, the election sign campaign was very intentionally designed to encourage the electorate to engage the leaders and candidates of all political parties and not to promote any particular one. Falling within the definition of political advertising, this activity that engaged thousands of local people across the province would now be subject to the restrictions specified in Bill 201.

The second major concern is some of the administrative requirements falling onto a third party if you get involved in so-called political advertising. Sections following section 37 detail the registration, expense accounting, reporting and auditing requirements for activity during an election period, which would surely challenge the capacity of already highly under-resourced community-based non-profit groups to be able to actively perform their function in the community. To release organizations advocating for the needs and best interests of their communities from the burden and cost of these administrative requirements—the point may be to distinguish between different categories of third parties or to be more explicit about what type of third-party political advertising requires such rigorous accountability measures.

The third and very important concern of the SPNO board and the people in the community is the six-month pre-election restriction on third-party activity. Bill 201's restrictions on third-party political advertising apply not only during the election period but for six months prior to scheduled elections, which would also severely inhibit the community engagement and public education work of the non-profit sector.

In fact, community-based non-profit groups and their provincial counterparts are generally engaged in issues of public policy concern year-round and for many years on end. Few major issues are resolved in the run-up to an election campaign or even when governments with clear policy positions take power. In fact, it is often commun-

ity initiative that raises critical issues to the public agenda for debate prior to and during elections with the strong intent to get political parties and candidates to associate themselves with policy action.

Again, a wide coalition of groups under the umbrella of the 25 in 5 poverty reduction network were active prior to the election period in 2007, calling for all parties to make a commitment to poverty reduction as a policy priority in their election platforms. Clearly, Bill 201's attempt to stem partisan third-party political activity prior to elections would place serious constraints on the non-partisan and important advocacy work of the non-profit sector.

I'll conclude: The charitable part of the non-profit sector is not unfamiliar with government regulation at the federal level that has produced advocacy chill. There have also been times when non-charitable registrant community groups have been discouraged from advocacy action by provincial and municipal threats to withdraw funding. The broad non-profit, non-government sector has persevered through these periods of advocacy chill because of the conviction that it has the dual responsibility of addressing existing needs through direct service while also proposing policy and program solutions for public and political debate to reduce the need for those services.

Unintentionally, Bill 201 risks substituting advocacy chains for advocacy chill on the non-profit sector. The definitions of “third party” and the administrative, activity and time restrictions on political advertising cast a net that encompasses legitimate and long-standing democratic practice far beyond the problem of political parties escaping funding contribution limits through coordination or collusion with allied third-party organizations.

Final paragraph: As others have suggested to this committee, much finer sharpening of the definitions of “third party” and “political advertising” is required, and/or more targeted and stringent criteria for identifying coordination or collusion between political and third parties need specification. Otherwise, a net that captures the historic, legitimate and non-partisan advocacy of the non-profit sector for wide community benefit threatens to undermine the health and dynamism of our democracy.

Thanks a lot.

The Vice-Chair (Mr. Lou Rinaldi): Thank you. Now we'll go to Mr. Walker, please.

Mr. Bill Walker: Thank you very much, Mr. Clutterbuck. I note in your messaging that you talk about—and many people who have come already have talked about—levelling the playing field. I want to just assure you that, as someone who raised a private member's bill, that's exactly my concern: that we do not currently have a level playing field right now, and it's very challenging, actually, to be an elected representative and play in a game that isn't fair.

Would you suggest it's fair to have set limits on accountability?

Mr. Peter Clutterbuck: First of all, on the level playing field issue: At the big-league level, where you're

electing members to Parliament, I understand that you have to have rules that are fair, so that all can participate equally. But in implementing those rules or defining those rules, you shouldn't be creating restrictions that allow the minor leagues—those places that are engaged in the democratic process in another way—to be inhibited from being able to contribute.

I'm sure many of you around this table started out working with issue-based groups back home and developed leadership skills to the point that you were confident to run for office and enter the big leagues. But let's not create a level playing field at the big-league level that undermines the capacity of people at the local level.

Mr. Bill Walker: Would you suggest, though, that there need to be specified limits and accountability for all groups, whether little-league or big-league?

Mr. Peter Clutterbuck: If you made proper distinctions between what you're talking about, because the current definitions of "third party" and "political advertising" do not adequately make distinctions among the different types of players that are in the field. It is too broad, and it encompasses the kinds of activities that would restrict us from doing a good part of our work—six months prior to an election, even—on issues where we have made lifelong commitments to actually trying to create change.

Mr. Bill Walker: I guess what we're hoping, with this legislation, is that it will be very clear and succinct on what you can and can't do and what is considered actual advertising, as opposed to advocacy work that's just generic to the population.

My concern right now is that there are third-party groups that can very significantly influence the electorate, in collusion with a party, and we need to straighten that out.

Mr. Peter Clutterbuck: I think previous deputants have talked about this: Why don't you focus on what collusion means and what coordination means? Why don't you actually start to make distinctions about who is part of third-party political advertising, not based on distinctions of actual criteria or actions that are taken?

I know, in our case, in the social sector, we definitely take clear positions. Sometimes parties are on the same side as us or not, but we're trying to get all parties and all political candidates to adopt positions that we think are in the best interests of our community.

There are distinctions, I think, between those who are really fighting for community interests versus those who are fighting for maybe some financial interests. I'd make a distinction between lobbying and advocacy, as well, at our level.

Mr. Bill Walker: On that note, would you suggest that it would be fair for a third-party group to have an advantage over a candidate in regard to spending limits?

Mr. Peter Clutterbuck: The SPNO did not authorize me to talk about the spending-limit issue, just the non-profit third-party political advertising issue.

Mr. Bill Walker: Thank you. I'll turn it over to my colleague Mr. Clark.

Mr. Steve Clark: Thanks for your presentation. You used the words "democratic debate," and I heard you express concern about the six-month period for advertising prior to the election. But the Auditor General expressed concern that this government changed the rules so that they're able to advertise in a way that previously was felt to be partisan.

Many deputants have come forward to say they feel that there should be some restriction on the government prior to an election. In Manitoba, for example, you can do tender ads and public safety ads—very restrictive. Do you have any comment on governments advertising in that pre-writ period of six months?

Mr. Peter Clutterbuck: Yes, but I would only have personal comments. I can't say that this is the SPNO position, because we did not talk about this. We talked about this in a telephone call last week with our board, around issues they really wanted me to stress.

But I personally do understand the need for there to be fairness in terms of how messages are communicated to the public prior to elections or during elections. Clearly, the public has the right to know government programs. But I think even the Auditor General now has some power, or some member of the bureaucracy has some power to actually review advertisements that are being put out by the government, and perhaps to veto them.

But it doesn't seem to me to be fair that clearly partisan ads are issued under government authority during elections, for sure. That's a personal position.

Mr. Steve Clark: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Wong.
0940

Ms. Soo Wong: Thank you very much, and good morning. I'm just going to go further with what Mr. Clark just asked you about pre-writ advertisements.

I know, in your written submission, that you talked about third parties and the whole issue about third-party advertisements. Specifically, I just heard about your opinion. We're trying to reform the legislation when it comes to pre-writ advertisements in terms of limits. What is your opinion with regard to this proposal of limiting to \$1 million on party ads pre-writ?

Mr. Peter Clutterbuck: First of all, likely, that's far beyond anything that, at the non-profit sector level, we're ever going to get near—\$1 million. I really want to make it clear that just this broad definition of limits of activity, around which there are a lot of administrative requirements at much lower levels—for example, with the sign campaign I talked about, probably the total cost was \$30,000, and about \$15,000 of that was signs.

I want to make sure that it's very clear that the way that it's now defined—six months' prior to the election and the other administrative requirements—is a burden that will inhibit the ability of the non-profit sector to actively be able to participate in the democratic process. That is really tragic. That just cannot happen.

I know that you're going to be dealing with other things around other major coalitions and corporate sectors that can contribute at \$1-million levels. We're in the minor leagues, but we want to participate.

Ms. Soo Wong: What are your thoughts when it comes to levelling the playing field between the political parties and third parties in terms of pre-writ advertisements? How do you level that playing field?

Mr. Peter Clutterbuck: In terms of our participation, which is our interest—getting access to the playing field—you start to make some distinctions about what you mean by “third party.” Those that you are concerned may be colluding with or coordinating together with political parties to escape the limits that now exist—well, how do you make some distinctions between them and the sector that we're talking about that's trying to get people engaged in public policy debates? We think it's a definitional issue primarily, or a distinction between the activity that we do and the activity that you're concerned about regulating.

Ms. Soo Wong: I'm going to turn to my colleague Mrs. Martins to ask the next few questions.

Mrs. Cristina Martins: First of all, I just wanted to thank you, Mr. Clutterbuck, for being here today and for presenting—can you hear me? You look like you're struggling.

Mr. Peter Clutterbuck: Well, I don't hear well in general.

Mrs. Cristina Martins: Maybe I need to speak a little bit louder.

I was just saying that I wanted to thank you for being here today and for sharing your thoughts with us here. What we're trying to do here as a government—and our commitment is to work with all parties and stakeholders, experts, people from all across Ontario, to really come together to transform the political system. I wanted to thank you for being part of that discussion here today.

I wanted to just highlight a few things—and perhaps you can just give me your general thoughts, your ideas—in Bill 201 that maybe you do support. I'm going to ask you, which of the following do you support and how can it be strengthened in the proposed legislation?

Levelling the playing field—I think we touched on it a little bit—by putting an end to corporate and union donations: Your thoughts on that?

Mr. Peter Clutterbuck: I'm speaking here on behalf of the SPNO, and they did not authorize me to give a position on that.

Mrs. Cristina Martins: Introducing a per-voter allowance of funding to help in the transition to a more grassroots-funded party system and enhance democracy: Any thoughts on that?

Mr. Peter Clutterbuck: One of our previous deputants, I think, has commented on this. The SPNO did not give me instruction on that, although I've read other deputants, and it seems to me that if you're going to control fundraising—this is a personal comment—in some ways, then a stronger share of the funding of the

democratic process to parties on a per-vote basis should be a serious consideration.

Mrs. Cristina Martins: And your thoughts on lowering contribution limits for individuals?

Mr. Peter Clutterbuck: It seems to me that it really hasn't been significantly reduced that much. Again, the SPNO did not take a position on that.

Mrs. Cristina Martins: You talked extensively about limiting partisan political advertising six months before an election, so we heard you on that.

Mr. Peter Clutterbuck: Yes. There are a lot of times when government legislation is passed that has unintended consequences on the smaller players in the field, who we and the people we work with are. You have to really focus on the big issues and try to get them right. You have to control things so that things are fair. I really do hope that you'll seriously think through the unintended consequences of some of your actions and some protections for that part of the sector that wants to be part of the political debate and is nowhere near the stratosphere of \$1-million political advertising, for example—or even several hundred thousand dollars. That's really what I think is important to take into consideration in your final review of the definitions within this amendment.

Mrs. Cristina Martins: You said that your organization is obviously nowhere near that \$1-million limit. Can you tell me, in 2011, how much your organization spent on advertising?

Mr. Peter Clutterbuck: Advertising, as defined here?

Mrs. Cristina Martins: Yes.

Mr. Peter Clutterbuck: Well, I would say our major campaign in 2011 was the election sign campaign, perhaps, and I think a lot of our activity there would fall within what's now prescribed in the amendment. The maximum in terms of production and distribution of signs, expenses related to travel to distribute them and organizing time put in would probably be about \$40,000 or \$50,000.

Mrs. Cristina Martins: Okay. Thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Fife.

Ms. Catherine Fife: Thank you, Chair, and thank you, Mr. Clutterbuck, for raising the issue of issue-based advocacy and how Bill 201 would limit, in particular, the not-for-profit actions across the province.

Thank you for following through on the Poverty Free Ontario campaign. I thought it was very successful. It gave another avenue for Ontarians to raise an issue that's very important to them, and it did so in a fairly non-partisan way, for sure. So thank you for that.

My colleague has raised the issue of government advertising, and I raised the issue of the changes to the Government Advertising Act which happened in 2015. The Auditor General described the changes to that act as “gutting” it, thus making it more flexible for the government to use taxpayer funds to advertise as they see fit. We saw some examples of this in the federal election, when the provincial government spent \$600,000 on the ORPP just during the federal campaign period. So these are our concerns: The government has broad, sweeping

powers and flexibility in the use of government advertising; juxtapose that with an act that, as you point out in your deputation, risks substituting advocacy chains for advocacy chill on the non-profit sector.

With that in mind, we have had some recommendations from people from across the province, and one says that any advertising restrictions that apply to third parties—you would be captured in this—should apply to the government itself. Do you share that concern?

Mr. Peter Clutterbuck: I can speak personally. It seems to me that would be a reasonable, fair application of a law. But I can't say that's the SPNO position. That's a personal position.

Ms. Catherine Fife: Thank you. Also, as I pointed out, we have to look at where the money is going in the province of Ontario. We have seen some evidence that money is going towards, for instance, cabinet ministers, with cash for access, and the perception is very powerful, as well, that it has affected policy.

The act limits individual contributions to \$1,550. Do you still think \$1,550 is a lot of money?

Mr. Peter Clutterbuck: Here's the thing when you're talking about issue-based advocacy: I can have a personal opinion on these kinds of things, but representing a non-profit sector, that's the kind of issue that we would have to have a serious discussion about. What does it actually mean in terms of the populations we serve? Probably that discussion would happen in light of what this means about low-income people being able to participate, being able to contribute. That would be a serious discussion that we would have, and we would say, "Is this serious enough for us to adopt a position and promote it to all the political parties?" But in the absence of having done that, I can't speak for the SPNO.

I just want to make a clear distinction. More often than not, we are talking about issues that are very directly related to the interests of our people, like affordable housing, social assistance rates, opportunities for employment and child care. These are the direct issues that we want to be able to bring forward during the political process and before elections, to actually make impressions upon our members of provincial Parliament and people running for those offices about positions they should take. Those are more directly involved. These other types of issues are important in terms of democratic participation, but we would have to seriously talk about what they mean for our people.

Ms. Catherine Fife: That's a very fair point.

The people that you serve, the vulnerable populations that you serve: Do you see them contributing \$1,550 to any political party at any one—

Mr. Peter Clutterbuck: Well, we were majorly involved in trying to get social assistance rates increased, for example. People in working poverty who work full-time, full-year and can't even get to the poverty line—for sure, those people are worrying about putting food on the table rather than their being able to give to a political party, or the capacity, even if they wish to.

0950

Ms. Catherine Fife: So as a policy distinction—there are the vulnerable populations that you serve, and then there are the policy directions that the government—the policy and legislative changes that they make, that affect the populations that you're serving.

So you would be equally concerned as to—for instance, the SAMS program, the Social Assistance Management System, which was a complete and utter failure. You would be concerned if a company donated to the government and then got that contract, and continues to get those contracts, and continues to see that system fail the people of this province.

Mr. Peter Clutterbuck: I think that's beyond what I've been authorized to talk about. I can have my personal opinion, but on that one I think it would probably be best to stick to what the SPNO asked me to talk about.

Ms. Catherine Fife: I thank you for your time today, Mr. Clutterbuck.

The Vice-Chair (Mr. Lou Rinaldi): Thank you very much for being here today.

Mr. Peter Clutterbuck: Thank you.

SOCIAL DEVELOPMENT CENTRE WATERLOO REGION

The Vice-Chair (Mr. Lou Rinaldi): Our next presenter is Trudy Beaulne.

For members, the presentation that's being presented was just emailed to your BlackBerry and the Clerk will forward a hard copy at the next meeting. We just don't have enough copies.

Welcome. You have 10 minutes for your presentation and there will be 15 minutes for questions from members.

Ms. Trudy Beaulne: Thank you very much. This morning I'm here with Catherine Stewart Savage, who is sitting in the back. She's a member of the Poverty Free K-W group that we have been supporting for at least six or seven years now.

I want to tell you a bit about the Social Development Centre and why we're concerned about some of the proposed changes to Bill 201. The Social Development Centre Waterloo Region is an independent, community-based organization accountable to our local community. We are one of 20 community-based social planning bodies across Ontario that are members of the Social Planning Network of Ontario—and Peter has just presented on their behalf. We're one of more than 1,000 social and community organizations in Waterloo region.

We have provided social planning, community development and community information services in Waterloo region for five decades. We'll be celebrating our 50th anniversary since incorporation next year. Our focus is people and our mission is to advance community through active participation and objective knowledge.

We make community information resources available to the community and provide help to people when they need it. We support reference and action groups that

focus on important issues including disabilities and poverty. We undertake social research and coordinate community events such as forums on social issues, all-candidate sessions during elections, and workshops on community development or on how to use social data in planning for your organization.

Our goals as an organization are:

(1) To increase understanding of social resources, assets, issues, needs and context of the local community by those who need this knowledge to take action;

(2) To increase citizen participation in social, economic and political life of the community;

(3) To build social cohesion through relationships, collaboration and community action. We want to build community. We're not here for any particular outcome that's going to benefit me; it's going to benefit all of us.

(4) To reduce inequitable access to knowledge resources resulting from emerging technologies. This is a fairly new one. Digital inclusion is not going away. It's a continuing issue for all of us.

(5) And, generally, our goal is to develop the social infrastructure of the community—its people, organizations, services, policies and systems.

Our work is guided by values, generally social justice, participatory democracy, community knowledge, diversity and building relationships—social capital—because that is the foundation of society and solid communities.

Not long ago, we met with over 60 representatives from community groups that work on social development, democratic reform and environmental issues. Together we explored whether we had common goals that drove our community involvement. As it turned out, we did. I wish I had time to tell you the story because it's a fantastic story. We came fairly easily to an agreement that the values that we had in common—I tell you, this came out of a very busy, loud, daunting group of people, and it came together in about five to 10 minutes. It came together that quickly.

First and foremost, we're driven by equity and fairness, leaving a legacy for the future, compassion, and being part of a community of voices. I believe this committee shares those values. When I think of the purpose behind the Election Finances Act and the proposed revisions, what stands out for me are the principles of fairness, providing an even playing field, democratic process, transparency and openness. These are quite evident to me as I read through even the legalistic wording that's there that is hard for many of us to really understand.

I truly support these principles and want them front and centre during elections and in anything related to political life in Ontario, particularly when finances are concerned, because economic divides really make it challenging on so many different fronts. I share your desire to get it right and not give an unfair advantage that benefits only some.

The proposed changes to the Election Finances Act, however, are problematic for a community organization such as ours that devotes time to educating and ad-

vocating on various social issues. The list of activities that are defined as political advertising means advertising in any broadcast, print, electronic or other medium with the purpose of promoting or opposing any registered party or the election of a registered candidate, and includes advertising that takes a position on an issue with which a registered party or candidate is associated.

It's the taking the stand on the issue that is a problem for us, not supporting an individual candidate or party. I want to make that clear distinction.

This definition blurs an important line between partisan political activity and issue-focused activity. With this definition, at any point in time in the six months prior to an election call and during the election period, community organizations may not be able to address issues or participate in public dialogue on social issues, for fear these might be identified with a party or a candidate. The contradiction here is we want them to pick up the issues. So at any one point in time, we could move from not being a third party to being a third party, which is a very horrible place to be in.

Furthermore, it's not clear what political advertising includes. The following list seems incomplete, given the range of activities that are possible when addressing social issues. I won't read through the list—I think you have it—or do you need me to? The things that are excluded—there's a list in the actual proposed changes, but that list doesn't include election- and policy-related activities such as debates, discussions, panel presentations on issues or key policy directions. Where do these types of activities fit?

At the Social Development Centre, we've worked consistently in recent years to provide a clearing house of information for voters and candidates across the region. We work with partners locally, cross-province and Canada-wide to prepare issue papers to provide background on key issues and on how policies relate to those issues.

We organize all-candidate community round-table discussions, where constituents meet and talk with candidates. Candidates tell us that these are refreshing and enlightening activities to be a part of. The animosity of the traditional debate is absent at our events. The opportunity to talk to people about issues that matter to them is, for some candidates, the best education they have gotten throughout their candidacy.

These events have achieved a reputation, and our success has now overcome us. Last year during the federal election, we had sessions with well over 250 people coming, and we didn't have enough candidates to go around. People weren't turned away; they just left in frustration. So we now must consider other ways to enable meaningful dialogue.

We have worked with community members. We support a local poverty-free group, which Catherine is here as a part of, and a disabilities and human rights group, which speak to issues, make policy submissions and act as resources in all-candidate sessions and other community events. In the submission, there's a link to a

YouTube video where they speak about how important it is to have policies translated, and to be able to understand them and to be able to speak to them.

With considerable community input, we have developed a framework for assessing policies and programs against local criteria for achieving poverty elimination. We have applied this framework to party platforms and have produced platform analyses for all parties that have published a platform during recent elections.

In the last federal election we took this one step further and hosted a day-long session. We invited candidates, their teams and the community to come together and work with us, to do this platform analysis against the local criteria. It's a different way to approach it, but to me, it's one really important way we can practise democracy in our community.

1000

I've included the framework as part of the paper submission here, so you can take a look at it. This came out of a number of years of work, when we engaged people to talk about social assistance reform and what's important in terms of having good systems to support people who are in need.

At the Social Development Centre, we are rigorously non-partisan. I can't emphasize that enough, and I want you to understand it's really true. What individuals do at home, that's what they do, but in our work situation and in our community settings, we are non-partisan. We have never been, nor are we now, what I would consider to be a third-party political advertiser. I hope you agree.

The proposed changes to the Election Finances Act include definitions that make me question if we might and when we might be a third party, and it makes me nervous. It's not a comfortable place to be when our intention is to ensure that both citizens and potential political representatives have the information they need to understand issues and the needs of our local communities.

Greg Essensa, Ontario's Chief Electoral Officer, presented to you on June 6.

The Vice-Chair (Mr. Lou Rinaldi): You have about a minute left, okay?

Ms. Trudy Beaulne: Okay.

I want to emphasize that he had said that it would be hard for him to advise organizations on what the real rule is, and I would agree with that. That's where we sit.

I have made some suggestions in here as to how to make the distinction. It seems to me that what's really important to do is to make a clear distinction between—when you're talking about parties, candidates and individuals, you're talking about politics and political advertising; when you're talking about issues, you're talking about issues. If our organization ever started to name candidates and say either positive or negative things specifically about a candidate to help them get elected, then we should be a third-party advertiser. But if we're talking about issues, we should never be.

The six-month limit: If you're going to have third-party advertisers, they're always third parties; they're not

today-and-not-tomorrow. It has to be a consistent thing. Whatever you define it as, please tighten the definition and please keep it consistent.

The last point is related to the banning of corporations and unions. I don't think that will get you what you want. I think what you really want is openness and transparency. That means disclosure, and whatever you can do to encourage effective, complete, consistent disclosure will help us level the playing field more regularly than to push some things into the corner, because I think that will just put it underground.

The Vice-Chair (Mr. Lou Rinaldi): Thank you so much. Mr. Clark?

Mr. Steve Clark: Thank you, Trudy, and also Catherine, for being here today.

The last point you just made about disclosure: There have been a number of deputants who have talked about changing the way we have disclosure for donations. One of the suggestions was to have the name, address and employer. What do you think about that? Do you think that would be something that would make it more open and transparent?

Ms. Trudy Beaulne: It depends on what you mean by that. If I make a personal donation—

Mr. Steve Clark: It would just list your name, your address and your employer.

Ms. Trudy Beaulne: Yes, possibly. That's outside the scope of what I have thought through and what we've talked about in our groups. I think as much information as possible for full disclosure at whatever limits—I don't think you need limits. I think full openness and transparency should be the main principles to follow.

Mr. Steve Clark: I know you talked about citizen participation. I want to again ask—you might not be in a position to answer. Many people have come forward to talk about the change in contribution limits. I'm thinking of how in Ottawa there was a gentleman from People First of Lanark who talked about cash-for-access and how no one he represented would be able to go to a \$6,000 fundraiser with a minister or with the Premier, to get access.

I just would be interested to see whether you feel that the present limits in this bill are still too high for the people that you work with, for example, to be able to get that direct connection with government.

Ms. Trudy Beaulne: I would be really surprised if anyone I worked with, either as a peer or in terms of their community involvement—it would be a pretty rare person who could make any kind of donation of that level.

Mr. Steve Clark: Okay. The other thing I want to explore, because I know you were here when we asked Peter about it—I hear your comments about third-party advertising. Ms. Fife quoted the Auditor General very eloquently about the fact that the government gutted the legislation and changed it significantly so that they could advertise in a way that they couldn't prior. Do you believe that the government should have that same restriction in a pre-writ period—they could not advertise

in a more political way—so that it is consistent with the third-party section?

Ms. Trudy Beaulne: Unfortunately, they're not third-party. That then becomes your challenge in making that distinction. I've included in my submission some suggestions that would include the standing government or elected officials. I would think that ultimately, your biggest challenge is to be able to distinguish between what is political, in the sense of raising the profile of a party, versus a position or a program.

Mr. Steve Clark: But at the very least, do you think that we should include a new section in this bill that would put those controls back in that the Auditor General has expressed concerns about?

Ms. Trudy Beaulne: I would have it be that whatever restrictions you have should be across the board.

Mr. Steve Clark: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Vernile.

Ms. Daiene Vernile: Trudy, it's very nice to see you here this morning, you and Catherine. Thank you very much for coming and sharing your information.

Chair, if I might, as the MPP for Kitchener Centre, I'd like to welcome everyone to Waterloo region. I am thrilled that this committee is making a stop in the great city of Kitchener. Thank you all for being here today.

Trudy, your group is very committed to creating strong neighbourhoods. You are working very hard to eliminate poverty, not only in our community but right across Ontario, and you're informing the public. We do appreciate the work that you are doing.

You mentioned those round-table discussions that are held during election campaigns. I had the honour of participating in one of these in the last provincial election, and I have to tell you that of all the different debates that I participated in, that was my favourite. I found it was the most productive and looked at solutions, as opposed to creating a very combative situation where people argue with each other. The work that you are doing—I hope that the committee understands the value of it.

I hear you loud and clear that you don't want to be considered as a third-party advertiser. I would have to agree with you that your non-profit group that is trying to engage the public is geared at that.

What we are doing with Bill 201 is limiting the amount of money that is spent on advertising during election campaigns. You don't do that, do you? You don't spend money.

Ms. Trudy Beaulne: Not much.

Ms. Daiene Vernile: No. Okay. But you still can, under Bill 201 as proposed. You can still stage these round-table discussions. You can still write letters to the editor. You can still contact people, whether it's by telephone or mail. So considering that, what other changes would you like to see?

Ms. Trudy Beaulne: The biggest change is in the definition of what is advertising. I don't think the intention here is to have the kind of information that we share be advertising. From the submissions that I have

heard and from reading through, three or four or five times, to really try to get a handle on it, I think you're talking about the types of things that actually promote a candidate or a campaign or a party and not the positions, necessarily. That's my understanding of it.

That is not what we do in our work. Our work is trying to understand the issues, trying to educate, and getting everybody on board so that we're all pulling in the same direction.

Ms. Daiene Vernile: My understanding too, having participated in one of these round-table discussions, is it's not that you're taking a stance on the issues; you're merely discussing the issues.

Ms. Trudy Beaulne: And we definitely have some parameters around what are successful outcomes as we go. So it isn't like it's just discussions; we really do want to target what's most important and have our systems, our policies, our programs and any of the actions that any of us take in our various roles actually improve the conditions of life in our community.

1010

Ms. Daiene Vernile: Now, you touched previously, with one of my colleagues, on putting an end to corporate and union donations and the concerns that you have about that, and you mentioned disclosure. We do have legislation now that specifies that these donations do need to be detailed. What further would you like to see?

Ms. Trudy Beaulne: In terms of disclosure?

Ms. Daiene Vernile: Donations.

Ms. Trudy Beaulne: Come back and explain, in terms of donations, what you mean.

Ms. Daiene Vernile: Currently, with donations that are made to individuals and to parties, that information is detailed now.

Ms. Trudy Beaulne: And that would be good. Is it part of the open data that the province has?

Ms. Daiene Vernile: Absolutely. We have transparency legislation now.

Ms. Trudy Beaulne: That's a good start. I think making it transparent and open is probably, from our perspective, much more important, because I'd hate to see things go underground and be more hidden and harder to see. I think that's the worry that I have. When I've reviewed that, I don't necessarily see that as—what do we call that?—levelling the playing field. That is not necessarily going to be a successful result.

I know if I have lots of resources, I can find ways to do what it is that I want to do. I think we need a different kind of discussion around that.

Ms. Daiene Vernile: We are committed to openness and transparency, and this is why we've taken this committee on the road to hear from people like you. I really appreciate you coming here today and sharing your ideas, which we will take back to Queen's Park and certainly give serious consideration to. But I understand you are looking for greater clarity for groups like yours. Thank you very much, Trudy.

Ms. Trudy Beaulne: Absolutely. Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Fife.

Ms. Catherine Fife: Thank you very much, Trudy, for being here.

Just to finish that last point, the issue, I think, is around real-time disclosure. It's around timing, and there is room to improve on that. Right now, the act does not specifically address that, though.

For instance, when Charles Sousa and Bob Chiarelli met with banking executives just prior to the release of the first tranche of Hydro One, we didn't know who exactly was in that room and we didn't know the timing of it, so therefore we had a hard time at that time connecting these two actions. If you're meeting people on Bay Street, they're paying \$10,000 to have dinner with you and then those same people get the contract to sell off Hydro One, that perception is disturbing, so we need to make sure that we know all the facts in real time.

This is actually unusual for a piece of legislation to be travelled around at first reading. One of the issues that has come up is exactly the issue that you have raised, that six-month pre-writ time frame that places a financial limit on advertising for issue-based advocacy groups.

Now, I understand that the Social Planning Council does not spend \$100,000 a month, but it's the act or the direction from government on an issue-based campaign, if you will, limiting the voices of citizens. Consistently, from every jurisdiction, we have concerns about this. You are definitely in line with that.

As you point out, the electoral officer has said that that pre-writ period is troublesome for him, so obviously we will be trying to amend this act to ensure that issue-based advocacy groups are not caught in that very wide net that the government has intentionally put in this act. That's the other piece. This legislation was not consulted with experts or informed democracy groups. This was written by the Premier, as she said, at her kitchen table, and it's still in the act and this part needs to change.

That said, you can see that we have a number of problems here as a committee in that we have political parties aggressively advertising with very high quotas. The Minister of Energy had a quota of \$800,000 that he had to raise, which is a huge amount of money. So there's this race to raise the most amount of money. Obviously there is no level playing field, because we are not cabinet ministers and the perception is that the power and the influence that those positions hold in our Legislature has been used to up the ante, if you will.

We are all in agreement now, though, that union and corporate donations need to be banned. When that does happen, the rules of engagement will change significantly, which is a very good thing. But the proposal is a per-vote subsidy, as it is in the act. You're familiar with that; right? There will be public funding of political parties.

I'm interested to know what your opinion is of that, because I believe the goal is that—as parties, if we're not racing to raise a huge amount of money to make it a competitive angle, then this per-vote subsidy that we'll all receive, based on the number of votes that we receive in any given election, is perceived to sort of level the playing field somewhat. Do you want to weigh in on that a little bit, Trudy?

Ms. Trudy Beaulne: Only a very little bit, because I have looked at it, but I haven't thoroughly assessed it, because I think it goes beyond what you have in the act.

If there is an approach where candidates and parties are supported through government dollars, it's—from the submissions that you've received so far, they say it would never make up for the difference in what they lose. So I would always have this worry about what would make up the difference,

I think, too, a large part of what you're talking about isn't really something that is just for this particular piece of legislation. I think there are broader issues about trust and about even getting into transparency and openness that go beyond the actual dollar amounts. I would say, as a basic model, to be able to support people from within the common investment pool would probably be a really good model, but I'd want to be able to make sure that it would work and whatever new, little thing that's sort of popped up in other places that influenced it—like, for example, what's happening with lobbyists. That is a whole other area that really needs to be looked at if you're concerned about not wanting there to be undue influence in political decision-making.

Ms. Catherine Fife: That's also come up. Thanks for raising that.

The Vice-Chair (Mr. Lou Rinaldi): Unfortunately, your time is up.

Ms. Trudy Beaulne: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you very much for your submission.

Next we have the Chief Electoral Officer of Canada, Marc Mayrand. Is he here?

Interjection: He's just stepped outside.

The Vice-Chair (Mr. Lou Rinaldi): Can we take a couple of minutes' recess, if that's okay with the committee? Let's have a five-minute break.

The committee recessed from 1017 to 1022.

ELECTIONS CANADA

The Vice-Chair (Mr. Lou Rinaldi): Welcome, Mr. Mayrand. I believe you have about 20 minutes for your presentation, and then in the balance of the 40 minutes, I'm sure members will have lots of questions.

Thanks for being here. The floor is yours. If you could just identify yourself for Hansard before you start speaking, it would be appreciated.

Mr. Marc Mayrand: I'm Marc Mayrand, Chief Electoral Officer of Canada. At my side is Mr. Stéphane Perrault, who is the deputy chief electoral officer for regulatory affairs at Elections Canada.

Good morning, Mr. Chair, and thank you for inviting us today to comment on Bill 201. My remarks will focus on the political financing rules at the federal level, with the understanding that many of the measures contained in Bill 201 are similar to those that are currently in existence under the Canada Elections Act or, in some cases, that existed at one time or another over the past decade.

First I will present a brief overview of political financing in the federal context. I will then talk about the effects of the federal rules, mostly in terms of how the regime has affected the financial positions of the parties and the behaviour of contributors. Finally, I will share some experiences of Elections Canada for your consideration insofar as they relate to some of the proposed amendments.

My comments will be brief, and I will be happy to answer any questions members might have for me.

The federal regime that we see today is the result of successive reforms that started in the mid-1970s, with the introduction of public funding and spending limits for parties and candidates, and that were continued in recent years with the introduction of limits on contributions. The overarching objective of the federal regime is to establish what has been described as a “level playing field” for the participants in the electoral process. This is achieved through essentially four sets of complementary measures: spending limits, contribution limits, public funding measures, and reporting requirements. While there is always room for improvement, I believe that the federal regime is, overall, a sound system.

Spending limits apply federally for registered parties, candidates and third parties during elections but not before the writs are dropped. There are also spending limits for nomination contestants but not for leadership contestants.

As a result of recent changes, the spending limits that apply during federal elections are pro-rated to the length of the election period. In the last election, which was the longest in modern history at 79 days, this resulted in limits that were more than double their traditional level. The national limit for parties was \$54.9 million, and for candidates, the average limit was approximately \$220,000, reaching close to \$280,000 in some districts. As a practical matter, this effectively meant that there was no limit, at least for parties and candidates, who generally spent well below these levels. I note that there is no similar problem in Ontario, in the sense that the spending limits are fixed.

Bill 201 would mirror certain aspects of the federal regime by introducing spending limits for nomination contestants as well as local and aggregate limits on advertising expenses for third parties. However, Bill 201 proposes to go further by imposing limits on election advertising expenses by both political parties and third parties in the six months preceding an election. I will come back, in the latter part of my remarks, to deal with some technical aspects of these proposed changes in light of the federal experience.

Contribution limits were introduced at the federal level in 2004 and have since seen a number of adjustments and changes. Corporate and union contributions were significantly restricted, starting in 2004, and then were fully eliminated in 2006.

The limit on contributions from individuals has also evolved over the last decade. Currently, there is a dual limit of \$1,500 annually for contributions to a party, and

another \$1,500 limit that applies to the aggregate of contributions made to the electoral district association, nomination contestants and candidates of the same party. A separate \$1,500 limit also applies to leadership contestants. Finally, candidates can contribute up to \$5,000 to their own campaign, whereas leadership contestants may draw up to \$25,000 from their own funds.

In addition to the rules governing contributions, recent amendments to the Canada Elections Act have introduced restrictions on the source and amounts of loans as well as loan guarantees. This was an important gap that needed to be addressed.

At the same time, the federal rules are complex, perhaps overly so. For instance, the amount of a loan guarantee is subject to the annual contribution limit. However, reimbursements on the loan over a calendar year will affect the amount that an individual guarantor may contribute during that same year. This makes the regime difficult to follow for participants. I note, in this regard, that the rules governing loans and loan guarantees in Bill 201 are somewhat simpler than the federal rules.

A third and critical aspect of the federal regime is found in the public funding that is provided to political entities. When looking at public funding, it is important to look at the combined effect of the various funding sources. Currently, there are two main mechanisms for public funding at the federal level.

The first, which is an indirect funding mechanism, is a tax credit to encourage contributions. Contributors are eligible for a 75% tax credit on the first \$400 in money donated to a registered party, electoral district association or candidate. The credit is 50% of the amount over \$400, and 33% for any amount over \$750. In total, the maximum credit federally is \$650 for a contribution of \$1,500. I understand that the tax credit in Ontario is somewhat more generous.

The second mechanism is direct public funding, namely, the reimbursement of election expenses for parties and candidates. Parties that receive 2% of the vote nationally, or 5% in ridings where they present candidates, are entitled to a 50% reimbursement of their election expenses. For candidates, the reimbursement is 60%, but the threshold is 10% of the vote. In addition, candidates receive a subsidy for the audit of their return, up to a maximum of \$1,500. In total, for the 41st general election in 2011, some \$60.4 million was reimbursed to parties and candidates. The amount for the most recent election, the 42nd general election, is approximately \$104 million.

1030

Until 2015, political parties that met the threshold for reimbursement were also entitled to a quarterly allowance of roughly 50 cents per vote, or \$2 annually per vote. The allowance was introduced in 2004, at the same time as the restrictions on contributions, and was aimed at offsetting revenue losses for political parties, but it was phased out starting in 2012. I will come back to this issue in a moment.

Finally, the Canada Elections Act requires the various political entities to report on their revenues and expenses.

For ongoing entities such as registered political parties and district associations, there is annual reporting. Event-based reporting is also required for parties, candidates, nomination contestants and leadership contestants, as well as for third parties that spend more than \$500 on election advertising.

Given that many reforms proposed in Bill 201 mirror rules found at the federal level, I thought that it might be useful to share with this committee the analysis that my office has produced regarding the financial impact of political financing reforms over the last decade or so on federal political parties. I have brought a copy of the report, which I am happy to share with the committee, but I want to highlight some of its main elements.

Before doing so, I think it is important to offer a number of cautions regarding the figures in the report. The report looks at financial trends over a relatively long period of time, which is largely what makes it interesting. However, the rules were not constant over that period. For instance, contribution limits were initially set at \$5,000 in 2004, but then reduced to \$1,000. This has an impact on the comparisons to be drawn between pre-2004 and post-2004. Similarly, district associations, nomination contestants and leadership contestants did not report contributions or expenses prior to 2004, so it is difficult to have a solid picture of the revenues and assets of political families prior to 2004. Nevertheless, I believe that the report will be of interest to the committee.

First, it shows the impact of contribution limits on the type of contribution received and the fundraising activities of parties. Before contribution ceilings were introduced and before union and corporate contributions were prohibited, 2% of the contributors represented 54% of the funds received.

Compare that to the period from 2004 to 2006, when contributions from individuals were capped at \$5,000 and union and corporate donations to certain political entities were limited to \$1,000 and banned for candidates and parties. For those years, the 1% of contributors who gave more than \$1,200 contributed only 17% of the total contributions. This trend continued for the years since 2006, when the 1% of contributors who gave more than \$1,200 represented only 1% of the total contributions.

Thus, while the 2% of the richest contributors made over half of the donations before limits were reduced and before contributions from unions and corporations were excluded, by 2014, these contributors made up a very small fraction of total donations.

This should not be surprising, of course. What is perhaps more surprising is that the restrictions on contributions did not appear to have a major impact on the revenues of political entities. While there was a significant reduction of total contributions received during election years starting in 2004, the contributions received during non-election years appeared to increase by 7%.

It is difficult to make sense of these figures in isolation. As indicated earlier, electoral district associations, nomination contestants and leadership contestants did not report contributions prior to 2004, so the com-

parison may be skewed. However, looking at the net assets of political entities over that period provides a more telling story. There, the data shows that from 2004 to 2014, the combined assets of parties and their district associations grew considerably, at least for those entitled to direct funding.

The overall net assets of registered parties and their electoral district associations increased significantly, from \$7.8 million in 2004 to \$81.7 million in 2014, despite successive elections in 2004, 2006, 2008 and 2011. During that period, public funding increased from \$8.4 million on average per year before 2004 to an annual average of \$50.7 million during and after 2004. This shows that the public funding mechanism more than offset any revenue loss arising from the limits on contributions. It will be interesting to see how the recent removal of the quarterly allowance affects the financial situation of federal parties in the long run.

It is not for me to pronounce on what is the optimal level of public funding for political parties. I would say, however, that there are risks associated with strict limits on private contributions combined with inadequate public funding. Obviously, the greatest risk is that parties turn to illicit or undisclosed funding strategies that give rise to even bigger problems of undue influence.

Another risk is what some have described as the permanent campaign. That is, because political entities can no longer secure large donations coming from a few donors, they must make efforts to obtain smaller amounts of money from a much broader pool of individuals. To motivate this source of potential donors, we see a continual state of campaigning. This phenomenon is perhaps not without its consequences on the overall tone of political discourse and the level of public cynicism.

So although there are some positive aspects of public funding and reduced contribution limits—eliminating the influence or the appearance of influence from a very few contributors—there is also a need to ensure solid public funding for political parties.

I would like now to make some comments on some parts of the bill, and to share some of the challenges Elections Canada has faced and the lessons we've learned with respect to the administration of our own rules.

Bill 201 introduces a number of important restrictions on expenses. It limits nomination campaign expenses. It introduces limits on advertising expenses for third parties, both during and before the writ period, and it limits pre-writ expenses for political parties. In all cases, the ability to enforce the rules and, more importantly, the ability of political entities to understand them and comply require a clear definition of what expenses are captured.

At the federal level, poorly drafted definitions of leadership and nomination campaign expenses have resulted in important difficulties in dealing with expenses incurred outside the contest period for goods or services used during the contest or for the contest. This includes, for example, the costs of fundraising activities held

before or after the contest, or the cost of advertisements purchased prior to but used during the contest. This also has an impact on the contribution rules, since expenses that are not nomination or leadership campaign expenses can be paid with unregulated money.

1040

In this regard, I invite the committee to look at the rules proposed in Bill 201 not only for nomination contests but also for party advertising expenses incurred prior to the writ period but used during the election. In the same vein, it should also carefully examine how Bill 201 deals with party advertising expenses incurred before the six-month pre-writ period, but for ads that play or are distributed during the six-month period preceding the election.

I also feel the need to express a word of caution about the definition of “election advertising.” The definition in Bill 201 is the same as is found in the Canada Elections Act and raises difficult interpretation and application issues.

First, it’s not always easy to draw the line between what is advertising and what is discourse or satire or editorial comment, especially on the Internet.

Second, it is also difficult in practice, especially in the pre-writ period, to discern what is caught by the words “an issue with which a registered party or candidate is associated.” I know that the Chief Electoral Officer, Mr. Essensa, has invited the committee to consider restricting the rules on pre-writ advertising to direct advertising, as opposed to issue advertising. Perhaps there is some wisdom there, but difficulties will remain.

I don’t have a drafting solution to this. At the federal level, we’ve been fortunate, in a way, due to the fact that there has been relatively little third-party advertising in the last 15 years. On average, for the last three general elections, third parties spent only 12% of their limit, and very few spent more than 50% of it. In the last election, there was an increase in third-party spending, and some spent close to their limit. However, it remains a far cry from the level of third-party spending observed at the provincial level in Ontario. In that regard, there have been few occasions for third parties to test the boundaries of election advertising and to challenge how the definition applies. However, difficult interpretation and application issues remain, which we have addressed for the most part through interpretation notes.

This brings me to my third and final point. Recent amendments to the Canada Elections Act provide for the issuance of written opinions, guidelines and interpretation notes, generally referred to as OGIs, on the application of the act to political entities. The process for issuing these instruments is inclusive and collaborative in that it provides for consultations with the Commissioner of Canada Elections and representatives of every registered party. It is also very transparent. We publish a draft document, typically setting out the issue and the challenges it presents, as well as a proposed interpretation. Written comments from parties and the commissioner are also published, along with the detailed responses from

Elections Canada to each comment, as well as our final interpretation.

Although guidelines and interpretation notes are not binding in theory, they are certainly binding on Elections Canada in practice. Written opinions on specific factual situations presented by political parties are legally binding on the CEO and the commissioner.

The reason I’m raising this is that the Canada Elections Act, much like the Ontario Election Finances Act, is a complex and comprehensive piece of legislation. Many of the provisions of these two statutes are open to interpretation and raise questions that are not directly answered in the act, and probably cannot be.

A good example is the various questions around the application of the rules on election advertising. In the lead-up to the last federal election, we used OGIs to clarify, in consultation with political parties, the scope of election advertising rules with respect to Internet and telephone communication. Because there is no perfect answer to these difficult questions of interpretation, it is useful to have an open and transparent process for clarifying these issues.

The provisions of the Canada Elections Act setting out the OGI process are relatively new; they came into force in 2014. Elections Canada officials and I have found the OGI process to be an excellent device to help resolve difficult issues and improve consistency, but probably most important for politicians and other political entities is that they can help to create predictability in the application of the act. I am simply raising this issue as something for the committee to consider.

Mr. Chair, I’d like to thank you for inviting me today, and I would be happy to respond to any questions members may have.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Mr. Mayrand. For members, I allowed Mr. Mayrand to go over his allotted time. Just so you’re aware, we have about half an hour for questions.

Mr. Clark.

Mr. Steve Clark: Thanks very much for your presentation and for the handout history as well. I’m going to be looking at that with great interest.

One of the things that I wanted to ask you right off the top was about the guidelines that you have for ministers, in terms of their relationships between stakeholders and lobbyists, and whether you feel that having it as a guideline as opposed to codifying in the legislation—what guidance would you give our committee on that type of code of conduct?

Mr. Marc Mayrand: At the federal level, these guidelines are issued by the cabinet. In fact, it’s a prerogative of the Prime Minister. They are public, and I think they are used by the commissioner of ethics, at the federal level, to look into various matters that may come from time to time. Whether this should be in the domain of the commissioner of ethics is something to consider. The most important thing is that those guidelines exist, that they are public and they are subject to discussion if they’re not adequate to deal with various situations.

I would have to think more about that.

Mr. Steve Clark: Okay, sure. I'm going to take you down a road with something that I don't think the committee has talked about, but I think, because you're here, it's important that we cover it. Our Bill 201 is absent and silent with respect to the use of trust funds, endowments or other financial vehicles. Is the federal legislation silent on the use of these financial vehicles also?

Mr. Marc Mayrand: I think they were essentially eliminated some time ago.

Mr. Stéphane Perrault: Yes, they are illegal, though they're captured both by direct prohibition as well as a prohibition on formal associations. The only mechanism through which money can flow to a political entity is through an individual. There is no other way for money to come in.

Mr. Steve Clark: Over the time of your review, was there any experience with political parties using trust funds or endowments as a way to secure party financing? During this period that you've—

Mr. Marc Mayrand: Endowments—I think there were a few inheritance law cases which were eliminated in 2014. There were a few cases where parties benefited from testamentary provisions.

Mr. Steve Clark: How would you, as the Chief Electoral Officer, deal with compliance during that time, before it was outlawed?

Mr. Marc Mayrand: They were exempt from the contribution limits. They were not subject to contribution limits; they were totally outside. It was another form of revenue for parties. Again, it was relatively rare—in fact, quite rare—but it did occur in a few cases.

Mr. Steve Clark: One of the things we're talking about here is levelling the playing field—it comes up with pretty well every deputant—trying to make our law not allow indirectly what it's supposed to prevent as a direct contribution.

1050

In your view, should Bill 201 allow a corporation or a union to establish a trust fund and serve as a loan guarantor for a party or a candidate?

Mr. Marc Mayrand: It would be illegal under the federal regime for sure. Again, contributions can flow only through individuals and to a certain limit, and it has to be from their own funds. The rules are relatively clear on that, and there are also anti-collusion provisions in the act.

Mr. Steve Clark: Okay. I'll defer to my colleague Mr. Walker.

The Vice-Chair (Mr. Lou Rinaldi): Sure. If we can stay on rotation, you'll be next.

Ms. Wong.

Ms. Soo Wong: Thank you very much for your presentation and for being here today. I've got a couple of questions. Let me begin by asking you about the third-party and pre-writ advertisement question.

There have been some witnesses before this committee making suggestions about the limiting of spending on third-party associate advertisements in pre-writ being

removed while maintaining the spending limits on pre-writ partisan ads. This will result in some type of unlevel playing field. In your opinion, what would you suggest to our committee and to the province of Ontario in terms of the issue of funding pre-writ advertisements, limiting them, and making sure it's a level playing field and making sure it's transparent?

Mr. Marc Mayrand: I think Ontario is ahead in that area from the federal government in the sense that you've had fixed-date elections for a while and you've had experience with behaviour around the pre-writ period. At the federal level, we've only had one election with a fixed date so far. It was the last election. Some have argued the reason why we had such a long campaign—79 days, which was twice the normal period for a campaign—was to cut short the third-party spending. That was an argument made, which suggests that there is an issue there around third-party spending, which, especially in the context of fixed dates, can be planned and delivered and executed much more effectively than when you don't know the date of the election.

That being said, I think we have to be extremely careful about the charter's freedom of expression provisions. It has to be done only as it is absolutely necessary to ensure that there is a fair level playing field, but also effective participation in the democratic process, so that no voice can take over the whole channel of public discussion.

Ms. Soo Wong: In your report to the committee, on page 13, you made some reference to the issue of poor definitions of leadership and nomination campaign expenses. Can you elaborate a little bit more for this committee in terms of how to strengthen this? By-election nominations are regular, and if there's a leadership campaign—I'm sensing that you want us to include this in this legislation.

Mr. Marc Mayrand: The experience we have in this area is that there are really two elements to consider when you determine whether an expense should be included in the regulatory regime. You have to look at when it was incurred, for what purpose and when it was used. What happened at the federal level is that the test is half-baked for leadership and nomination contestants in the sense that only expenses or goods and services that are used during the contest are covered.

Mr. Stéphane Perrault: Incurred.

Mr. Marc Mayrand: Incurred. Sorry. If you incur something, you can plan your affairs. You can incur your expenses before the contest is launched, and even though you use all of your goods or services during the contest, it's excluded from the regime. The impact of that is that if you set limits, the limits don't apply. As important, also, is that the rules governing contributions don't apply. These expenses can be reimbursed and, in fact, shall be reimbursed by unregulated funds, so they could be corporate and union funds. You have to be extremely careful in drafting the legislation, if you want to achieve the purpose of the legislation, to make sure that these aspects are covered in whatever definition or test is built in the legislation.

Ms. Soo Wong: I'm going to defer to my colleague Mrs. Martins—

The Vice-Chair (Mr. Lou Rinaldi): We're just going to go on rotation. Mr. Walker?

Mr. Bill Walker: Thank you very much, Mr. Mayrand. There are two main things, I think, that I want to bring up. One is that you have expressed caution about the definition of election advertising. It's interesting that the Liberal government has actually removed the oversight capability that the Auditor General used to have to provide that oversight and comment and interpretation.

Would you support the need for an entity such as the Auditor General or the Chief Electoral Officer to ensure clarity and consistency related to electoral advertising?

Mr. Marc Mayrand: That's an interesting question. The advertising that is covered by the federal elections act is the election advertising carried out by either candidates' parties or campaigns. The government advertising that occurs between elections is governed by separate rules.

I understand that recently the government has established a policy that government advertising will be reviewed by the advertising council of Canada from now on to ensure, again, that they are non-partisan. But there are no rules per se in our statute governing the government advertising. There is a policy that during an election, of course, government advertising is restricted.

Mr. Bill Walker: Right, okay. Secondly, you've brought up a lot of comment in regard to the impact of third-party advertisements. I just want to make sure, again, on record that the electoral officer has raised this in subsequent reports. The amount spent in the last election was \$8.4 million, greater than all three of the major electoral parties.

It would appear that the federal legislation, by stripping the corporate and union donations out of there, has significantly limited the undue influence of third-party groups. It would suggest that this is the way that we're trying to mirror this piece of legislation, to ensure that it's back to a level playing field of fairness and—I liked what I heard earlier—that the only person who can donate is an individual.

Mr. Marc Mayrand: Just a point of clarity: There is a regime that governs third-party advertising. It limits the amount that they can spend during a campaign on advertising. But there is basically no limit on contribution for third parties. So they are not governed.

Again, we would need some political scientists to look at why it is so different at the provincial and federal levels and why third parties are spending so much at the provincial level and so little at the federal level comparatively. But it's not related to the contribution regimes.

Mr. Bill Walker: So in this case, what we're trying to do is to take it even a step further, so that the pre-writ period would also be limited in what can actually be donated and spent, as well as during the writ period, which we believe will bring it back to a more level playing field.

On my private member's bill—my colleague Mr. Arnott also brought forward legislation, as did our colleague Rick Nicholls—it was interesting: The government unanimously opposed all three of those, and yet, we're here. But they're not really, I don't think, listening to this ability to truly level the playing field. They're leaving loopholes in there to allow them to unduly—as we've read in the media for many months now—have the ability to have influential people at their beck and call and vice versa.

I think that there has been good movement in regard to the federal legislation. Obviously, the numbers speak for themselves—very little third-party influence. With those dollars, there probably is a correlation, I would think, if you get those political scientists to truly look at it.

But I think that the key that we're seeing is that it goes back to that you really want people like myself who put my hand up and say, “I want to run and be able to play and compete on a level playing field.”

Mr. Marc Mayrand: Yes, absolutely.

Mr. Bill Walker: I'll turn it over to my colleague Mr. Arnott—

The Vice-Chair (Mr. Lou Rinaldi): Ms. Fife, please.

Ms. Catherine Fife: Thank you. I guess that we're just rotating. That's good.

The Vice-Chair (Mr. Lou Rinaldi): Yes.

Ms. Catherine Fife: Thanks, Chair.

The Vice-Chair (Mr. Lou Rinaldi): I try to be fair.

Ms. Catherine Fife: Yes, that's good.

Thank you very much for the presentation. You certainly have given us a lot to think of and I think that there is a lot to be learned from the experience of the federal government.

Does the government restrict their advertising pre-writ or during an election federally?

Mr. Marc Mayrand: During an election, it's all based on policy and directives issued by the government itself.

1100

Ms. Catherine Fife: So there are strict limitations on what the government can advertise on?

Mr. Marc Mayrand: Yes. Normally, during a campaign, it's a matter of public safety and health, the launch of new programs or major advertising campaigns—normally.

Ms. Catherine Fife: Would you have a concern, if a government did not have those specific restrictions on public health or safety or time-specific, that a government could advertise during an election? Do you see that as potentially a problem?

Mr. Marc Mayrand: We had a bit of an experience during the last election at the federal level where there was a tax credit that was introduced just before the election—a massive campaign.

Ms. Catherine Fife: A massive campaign.

Mr. March Mayrand: Again, at some point you wonder whether the line between government and political party is getting blurred. That's why I think there is a

need for restraint, at least during the campaign and maybe before.

Ms. Catherine Fife: So during the campaign period. Who would oversee that at the federal level? Who has the power to determine whether or not those advertisements, like the tax credits that were advertised, are acceptable or not acceptable during a campaign?

Mr. Marc Mayrand: It's a directive issued by the Privy Council Office; it is issued to all departments.

Ms. Catherine Fife: That doesn't exist right now in Ontario; the Ontario government is able to advertise during an election period.

There are some provinces, though, that strictly prohibit government advertising, except with public health and safety issues. I believe Manitoba has a strict ban. Do you think that is a good practice, if you will, to sort of instill some trust and confidence in how taxpayer money is being spent?

Mr. Marc Mayrand: Again, in my mind, it's always important to keep the distinction between the government, which is permanent, and the political party that is in power.

Ms. Catherine Fife: Exactly.

Mr. Marc Mayrand: We need to separate the two. Any rules or provisions that ensure that clear distinction as much as possible are desirable.

Ms. Catherine Fife: Thank you for that.

Now, I note that you, on page 14—one of the biggest issues that we've been trying to grapple with is issue-based advocacy. You say that the Chief Electoral Officer, Mr.—

Mr. Marc Mayrand: Essensa.

Ms. Catherine Fife: Sorry—has invited the committee to consider—

The Vice-Chair (Mr. Lou Rinaldi): How easy we forget.

Ms. Catherine Fife: Greg—consider restricting the rules on pre-writ advertising to direct advertising, as opposed to issue advertising. You say that there's some wisdom there, but difficulties will remain. Now, this is, I think, going to be one of the biggest challenges for this committee.

What sort of levers or tools do you think can be put into place to balance and not restrict the voices of citizens and issue-based—because we heard from the US Supreme Court ruling that issue-based advocacy is a line in the sand; that sand is always blowing and that line is always moving, so that's the challenge; right? What tools do you think the electoral officer would need to empower or enable him to better oversee these decisions or to have some control over this issue?

Mr. Marc Mayrand: As suggested, I think several issues around the definition that is proposed in Bill 201 in terms of—the very notion of issue advocacy is very, very broad and is not necessarily political or partisan in nature. That may be a test.

The other thing is that the way we have read the definition, issues will evolve, emerge and disappear, and people will take positions and change positions all the

time, and it's very difficult to crystalize when there will be a breach of the rules. You have to consider that going forward. Maybe it's better to have a more permissive rule but a clearer rule than a very broad, restrictive rule which runs the risk of being disputed in court.

Ms. Catherine Fife: And that actually has—if the bill stays as is, I believe it would be subject to a constitutional challenge. I believe that that would be—

Mr. Marc Mayrand: It could be.

You asked me about tools. I referred to what we call OGI's at the federal level. We find that it's a very effective tool because you can come across a type of advertising or a type of message and wonder whether it truly fits in the definition here of third-party advertising or a party's advertising. Those guidelines will help everyone understand the rules, so again we maintain the level playing field. It's an interpretation that is issued by the Chief Electoral Officer, but after public consultation. So again, there is transparency around those interpretations and it makes the system consistent and predictable. It's useful because there are some issues that cannot be addressed otherwise than through waiting for years of court disputes, creating further uncertainty, or having a consensus among the participants that this is a fair and reasonable interpretation and let's play the competition around those interpretations.

Ms. Catherine Fife: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Martins and then Ted. We have about six minutes or so, so if you could be cognizant, we have another question from this side.

M^{me} Cristina Martins: Bonjour, monsieur Mayrand. Je vous remercie d'être ici aujourd'hui pour votre députation ce matin.

M. Marc Mayrand: Merci.

Mrs. Cristina Martins: Before asking you a question, I did want to raise something a little bit more on a point of clarity. I'm not sure if Ms. Trudy Beaulne is still here or not, but she raised a concern when it came to openness and transparency in terms of donations. I just wanted to let her know—and really let Ontarians all across this province know—that what we have heard as a committee is that Ontario is actually a leader in Canada when it comes to the disclosure of donations to political parties in real time.

You're nodding, so I think you agree with that as well. Today, currently, anyone here in this room—whether it's Trudy or anyone in this room or across this province—can access Elections Ontario today and see all political party donations over \$100 that have been made within the last 10 business days with a receipt. I can go and access that and see who has donated to the NDP, who has donated to the PCs or who has donated to the Liberal Party. I can do that, and everyone in Ontario can do that. So just to let Trudy know that our government is open and transparent—and I see you nodding so I think that you agree with us on that.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Martins, before you carry on, I've made a slight error. We have about 15 minutes left.

Mrs. Cristina Martins: No problem. So I can continue on with my questions?

The Vice-Chair (Mr. Lou Rinaldi): Sure. Thank you.

Mrs. Cristina Martins: This has a little bit to do with the paid labour that is sometimes sent to campaigns. I know that the federal election legislation prevents employers of a corporation or a union from being sent to work on a campaign and being compensated from their employer. This is something that we have heard people discuss in their submissions to the committee and as the committee travels across the province.

Can you explain how this limit is enforced federally and whose responsibility it is to ensure volunteers are not being compensated by their employer? You know that campaigns are so dependent on volunteers.

Mr. Marc Mayrand: I just want to clarify a point: As a volunteer, you cannot be paid by a third party for your volunteer work. That would constitute a contribution. Depending on who is paying, it may be an illegal contribution.

That being said, you can take time off. You can take your holidays and spend two or three weeks—whatever time you can afford—working on a campaign. And that, even though you're on paid leave, if you're on your holidays this is not a contribution; it's how you choose to use your time.

In terms of enforcement, there are a series of offences in the legislation. Again, illegal contributions must be returned. If they have been consumed, an amount must be sent to the Receiver General equivalent to the illegal contributions.

Mrs. Cristina Martins: With regard to pre-writ advertising limits, I think that one of the problems or one of the issues that Bill 201 attempts to solve is the increasing role of political advertising outside of the writ periods. We heard a lot of discussion about that today already. In the past this has acted to undermine the purpose of a writ spending. The bill places advertising spending limits on both parties and third parties six months prior to a scheduled election. This is not when there is anything else that happens, but a scheduled election.

1110

Can you discuss what you've seen federally about the growth of pre-writ advertising and your concerns around limitless third-party and political-party advertising, pre-writ?

Mr. Marc Mayrand: As I was indicating earlier, at the federal level, we have very little experience. We had only one election with a fixed date, and again, the pre-writ expenditures have been essential in the context of fixed-date elections, I believe. What we've seen are worries that there was certainly a lot of effort by third parties in the spring, prior to the election, in putting together various campaigns to reach out to Canadians. It may be one of the reasons why the campaign was set to be that long—it was to cut off third-party spending. Because the minute the campaign is launched, third

parties are governed by the restriction on their spending. So we have very little experience at the federal level. We'll be watching how it works out at the Ontario level.

Mrs. Cristina Martins: And is actually implementing this type of advertising limit six months before an election something you support?

Mr. Marc Mayrand: I think there are good reasons for limiting advertising before fixed-date elections, for sure. But we need to be extremely careful, again, with regard to the impact on freedom of expression. It's a balancing. I think it should be restricted only as seen as absolutely necessary to ensure an effective democratic process.

Mrs. Cristina Martins: And again, as you said earlier, I guess to clearly define whether it's the government that's advertising or it's a political party that's advertising—

Mr. Marc Mayrand: Or third parties, yes.

Mrs. Cristina Martins: —or a third party or anything like that. Thank you so much.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Arnott.

Mr. Ted Arnott: I want to thank you for presenting today. It's very helpful to have the experience of Elections Canada when we discuss these issues surrounding Ontario's election finances and spending rules.

In my opinion, the people of Wellington-Halton Hills would want to see election finance rules that contain honesty and integrity in the process, that there's clarity on the rules, that there's fairness to all candidates from all parties, that there is openness and transparency with respect to donations and reasonable upper limits on spending so that no one or no organization can buy a party or a candidate or a policy, and that politicians should not be promising special favours to people who attend their fundraising events. And those principles should be applied with respect to any decisions around reforms to the election finance laws.

My colleague beside me indicated that I had brought forward a private member's bill—and that was actually in 2011, before the provincial election in 2011—which called for a ban on collusion between third parties who might advertise in a political campaign and political parties. The government of the day and the government members who were present at the time of the second reading vote all voted against it, every single one of them.

I think I heard you say that the federal legislation bans collusion between political parties and third parties with respect to advertising. Could you explain the rationale—

Mr. Marc Mayrand: Contributions.

Mr. Ted Arnott: Contributions—could you explain the rationale for that policy at the federal level?

Mr. Marc Mayrand: If there was evidence of collusion, the amount of the advertising would be considered a contribution. Now, at the federal level, being made—in your example I believe it was a union, so it's a banned contribution, a prohibited contribution. It would be an offence on the part of the union who made the contribution. It would also require the beneficiary of the

contribution to return the equivalent amount of the cost of the advertisement to the Receiver General. And there could possibly be an offence, also, for the party or the candidates that benefitted. In the case of collusion, there's probably an offence.

Mr. Ted Arnott: Yes, because we suspected that in previous elections there had been some degree of, if not collusion, at least communication and coordination between third parties with respect to their advertising campaigns during the provincial elections and one political party.

Mr. Marc Mayrand: I think that one of the challenges with regard to those provisions is the difficulty for investigators to gather the evidence. I think that's the main challenge. These standing things tend not to be properly documented, let's say, so it's very, very difficult. But the prohibitions are there. There have been discussions from time to time on whether we should presume from the existing of certain circumstances that collusion existed—I leave that to the committee to consider. But the direct proof of collusion is tremendously difficult, not only in electoral matters but in all fields. Whether it's competition law, merger law, all these things, it is extremely difficult.

Mr. Ted Arnott: Unless you have help from WikiLeaks.

Laughter.

Mr. Marc Mayrand: Is that you?

Mr. Ted Arnott: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Fife, we have just under seven minutes, and I do have somebody else on the list as well.

Ms. Catherine Fife: Thank you. I'll be fast.

I did want to follow up, because the per-vote subsidy is also a very interesting debate that we're having. I noted in your report that after 2011, it was phased out—

Mr. Marc Mayrand: Starting in 2012.

Ms. Catherine Fife: Oh, sorry, 2012. You raise a concern that parties, moving forward, go into this constant campaign mode to balance out those lost revenues through the per-vote. I think that's really very insightful for us, because you do see in this province parties in this race—it's a race of survival of the fittest with the fattest bank accounts, because money is really driving the success of political parties. Right now, unfortunately, the Liberals do have a bit of a head start on some of us, but I think that removing corporate and union donations will set the record straight somewhat.

What Bill 201 does not address, though, is that it does not prohibit raising money from stakeholders or trading cash for access. You had mentioned that cabinet sets—this is our concern, around conflict of interest. You have cabinet ministers who can't meet with stakeholders during business hours. They can only meet them for dinners or breakfasts or lunches. You have special stakeholder dinners with very high ticket prices—\$10,000 per person.

The conflict-of-interest piece is not contained within this bill. So if you really are serious about removing the

perception of collusion and influence of money on politics, then there have to be some guidelines around who cabinet ministers are meeting with, and are they actually paying for it. They should be meeting with all stakeholders, but I don't think those stakeholders should have to pay \$10,000 to meet with them.

You mentioned that this conflict-of-interest threshold is determined by cabinet at the federal level, or through the commissioner of ethics?

Mr. Marc Mayrand: No, it's not the threshold. There are rules governing conflict-of-interest situations and how they should be disclosed—their first principle is disclosure—and what is prohibited. The officer responsible for monitoring and enforcing those rules is the ethics commissioner, who is a parliamentary officer.

In some cases, it does intersect with electoral legislation around contributions, but conflict-of-interest regulation tends to be much broader than matters related to political contributions and fundraising activities. I think the commissioner would be better placed to discuss her role and how she approaches it.

But there are three sets of instruments that could govern in particular situations. First of all, there's the Prime Minister's directive to his ministers; there are the rules that govern the conflict of interest and the legislation on conflict of interest, which is administered by the commissioner of ethics; and there are rules in the election law that govern fundraising activities and contributions. These three sets of rules can intersect.

Ms. Catherine Fife: So there are three points?

Mr. Marc Mayrand: Yes. There are three perspectives to look at when you're considering contributions.

Ms. Catherine Fife: Finally, thank you for raising the issue of freedom of expression around the third-party issue advocacy piece, because that is very important for us and it's something that I'll take away.

Thank you, Chair.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Ms. Fife. Ms. Vernile, you have about two and a half minutes.
1120

Ms. Daiene Vernile: Thank you, Chair. I'll try to go quickly.

Monsieur Mayrand, thank you very much for coming and speaking to us this morning. I want to ask you about loan guarantees. Central parties finance their election campaigns by getting these loans. They can be guaranteed by a person, by a corporation or by a union, and they don't count as a contribution. Can you talk to us about how these loans are regulated? I know that there are some parties that have some very exotic arrangements, as we have seen in the past. Do you think it's essential to regulate the process?

Mr. Marc Mayrand: We did recommend that it be regulated in the past, so, yes, I think we need some regulation again, to establish some certainty around these matters.

At the federal level, the most recent rules provide a few things. First of all, loans are only allowed by commercial institutions. Individual loans, personal loans, are

allowed only to the limit of the contribution you can make. An individual, whatever his resources are, cannot loan more than \$1,500 at the federal level.

A bank can lend millions of dollars to a campaign, if need be. It has to be at the commercial rate, the same rate that exists for other clients. In the case of candidates who borrow, they must reimburse within a period of time. Otherwise, it could become, or be seen as, a contribution in disguise. So loans have to be reimbursed within a period of time.

There are provisions that make it so that the party, at some point in time, may become responsible for unpaid debts of candidates or riding associations.

It's a complex regime. I don't think it's that dissimilar from the Ontario regime, though.

The other particularities at the federal level are that the regime extends to guarantors—not only to lenders, but also to guarantors. Again, it's the same thing: Individual guarantors cannot guarantee for more than the amount they are allowed to contribute in a given year.

These rules were just adopted before the last election. We don't have the analysis yet of how it impacted candidates or parties.

One of the changes that was done—our analysis has shown that many, many of the small loans taken by candidates were to launch their campaigns before they could generate the contributions. The act now provides that a candidate can bring into his campaign up to \$5,000, which was the amount of the average loan that was taken. So rather than go borrowing, you can use your own funds. That's an exception to the \$1,500 limit.

Ms. Daiene Vernile: Do I have time for another question, Chair?

The Vice-Chair (Mr. Lou Rinaldi): About 30 seconds, question and answer.

Ms. Daiene Vernile: Quickly, your opinion on the per-vote allowance, \$2.26 per vote: too high, too low?

Mr. Marc Mayrand: I don't have enough information to comment on that. As you know, relative to the federal level, it would be too high, because there's none anymore at the federal level. We'll see over time.

I think what is important, and I tried to put that in my notes, is that you need to ensure proper balance between spending limits, contribution limits and public funding. My advice, if I can, would be to err on the side of being a little bit more generous than too restrictive or too cheap, because of all the pernicious effects that it could have. I think democracy needs viable parties. That's my view and—

The Vice-Chair (Mr. Lou Rinaldi): We've exhausted the time.

Mr. Marc Mayrand: Oh, sorry.

Ms. Daiene Vernile: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): We have somebody waiting online to talk to us. Thank you again, Mr. Mayrand, for being here and enlightening this committee on the federal scene and helping us out. Thank you.

Mr. Marc Mayrand: Thank you very much. All the best with your work.

The Vice-Chair (Mr. Lou Rinaldi): Thank you.

MR. CARL THIBODEAU

The Vice-Chair (Mr. Lou Rinaldi): On the line, we have the last deputant before we recess for lunch, and it's Carl Thibodeau. He's on the line, and he's from Thunder Bay.

Mr. Thibodeau, welcome. Can you hear us?

Mr. Carl Thibodeau: Yes, I can. Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Good. The routine is that you have about 10 minutes for a presentation, and then we have 15 minutes for questions. The floor is yours—or the phone is yours.

Mr. Carl Thibodeau: Okay. You can hear me well?

The Vice-Chair (Mr. Lou Rinaldi): We can.

Mr. Carl Thibodeau: Okay, thank you.

Good morning. My name is Carl Thibodeau. I live in Thunder Bay, volunteer in my community, serve as an elected regional vice-president of my union, OPSEU, and work at the Thunder Bay Correctional Centre as a food service supervisor. Thank you for giving me the opportunity to join you from the north to share my thoughts on Bill 201.

I'm pleased to have a chance to speak to you today because I think this is one of the most pressing issues facing our province. I appreciate you, as a committee, taking the time out of your summer to hold these hearings. It's a sign that you understand exactly how critical the need is for change.

I've followed the news over the last few weeks as story after story has come out about the special access to cabinet ministers and to the Premier that rich folks and corporations seem to be getting. Based on the reactions in the newspapers, I'm not the only one concerned about what's happening. That's not surprising because it just doesn't seem right. What happened to governing for the people? Wasn't that supposed to mean listening to all the people, not just those with the money to fund the governing party's next campaign?

Then, I opened the Globe and Mail this weekend and found out that not only are these people getting special access, they're getting special treatment. Just after the first sale of shares, six members of the banking syndicate that made nearly \$60 million selling off pieces of Hydro One showed up at a \$7,500-a-plate dinner with the finance minister and the energy minister. Does anyone believe that this group of people just coincidentally chose that moment to have an expensive dinner together and talk about the Jays' playoff run? I don't know.

Reading further, we see that the companies receiving billions of dollars in public infrastructure contracts to build hospitals, roads, transit and courthouses also show up at a number of these dinners, including a \$10,000-a-plate dinner with Premier Wynne. Does anyone honestly believe that these companies, run by people who seem to be pretty successful at making money, don't believe that these donations will get them something in return?

People are tired of hearing story after story of how big companies buy special access to cabinet ministers by funding their election campaigns and then getting handed contracts, grants and tax breaks amounting to billions of dollars of public money—my money, my neighbour's money, money that should be paying for better northern roads, better northern schools and better northern health care, not padding the profits of banks in downtown Toronto that are buying tickets to these dinners.

The fact that you're all here tells me that you know, and probably many of you agree, that things need to change, that this game has gotten out of hand and needs to stop. So the real question is, how do we stop it? How do we take away the ability of big money to buy elections and thus pay for access to decision-makers?

I'd like to propose two simple fixes for you to consider. The first is to ban any company or individual who donates to a party from benefiting from a government decision: no contract, grants, tax breaks or other benefits for at least four years, long enough to take you to a new election cycle. Across most of the United States, there are laws like this. They refer to them as restrictions on pay-to-play. Given the evidence we're seeing of company after company donating to the Liberals and then receiving public dollars from the government, I think it's high time we look at similar rules here, because what we're seeing, time after time, is clear evidence of companies paying to play.

But if that seems too complicated or too difficult to enforce, there's a second way. This option, probably the simplest to enforce, would be to cut the donation limit to a level that everyone can reach so that all 10 million people in Ontario can afford the same access to their political leaders, but that needs to be much lower than what is proposed here. You've already seen that a \$9,975 donation limit is open to being abused. Do we really think that reducing it to \$7,750 will eliminate that? I don't know about you, but I know that \$7,000 is more than I can afford to pay for dinner, and I'm pretty sure that's true for 99% of the people in Ontario.

The good news is that we don't need to have a system that is built on the donations of the 1% who can afford those tickets. Quebec already has a donation limit of \$100, and a number of recent examples have shown that campaigns run on small money can work just as well as those run on big money, but without giving a small number of wealthy people special access to those in charge. By setting the donation limit to a level that average Ontarians can afford, probably somewhere near the Quebec level of \$100 a year, we can take big money out of the picture and, by doing this, we can make sure that our representatives are focused on pleasing their voters, rather than their big donors.

1130

Those of you on this committee have an important job to do and I wish you all the luck in the world with it because our province depends on you. The stories of the past few months and the 159 cash-for-access fundraisers the Liberals have held over the last three years

demonstrate clearly that the current system is broken. I hope that this committee, by imploding these ideas in Bill 201, can fix things and deliver a new system, one where our government is powered by public support, not private money.

I want to thank you again for allowing me the time to address this committee. That's it.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Mr. Thibodeau. We have a little bit longer than 15 minutes for questions.

I don't have a numbered list. Mr. Clark or Mrs. Martins? Mr. Clark.

Mr. Steve Clark: Mrs. Martins had her hand up first. I'll go second.

Mrs. Cristina Martins: What a gentleman. Thank you so much, Mr. Clark.

Mr. Steve Clark: Any time. I'm glad that's in Hansard.

Mrs. Cristina Martins: Wonderful. Thank you so much.

I wanted to thank Mr. Thibodeau also for your deputation this morning. The means in which you are actually here presenting to us today via teleconference—to let Ontarians know that we really want to hear from everyone, and if you can't physically be at one of the cities where this committee is going to be present, there are technologies in place today that will allow you to voice your opinion, to raise concerns and to make suggestions, as you have here today via teleconference from Thunder Bay. So thank you very much.

I guess the legislation that we are proposing and that's on the table for discussion and is touring the province is really just a starting point. We look to continue to work with all Ontarians—experts, stakeholders and all political parties—so that we can strengthen the proposal so that it is a fair playing ground for everyone.

We have had significant discussion about the fact that the bill, Bill 201, does not explicitly prevent unions or corporations from sending paid employees to work on campaigns and be compensated from their employer. Mr. Thibodeau, my question to you is: Have you ever been involved in a campaign where you were compensated by your employer for working on a campaign, and if so, can you tell me which campaign that is?

Mr. Carl Thibodeau: No, not that I've been compensated—but I've volunteered some time.

Mrs. Cristina Martins: And which campaign again?

Mr. Carl Thibodeau: Oh, God, what was the last one that we did? I think it was the provincial election last time.

The Vice-Chair (Mr. Lou Rinaldi): In 2014.

Mrs. Cristina Martins: Okay, so the 2014? So you do not remember if you were compensated by your employer for that? Did I hear you correctly?

Mr. Carl Thibodeau: No, I wasn't compensated by my employer.

Mrs. Cristina Martins: You were not compensated by your employer? Okay.

What are your thoughts, then, on the issue of paid labour? How could this be addressed in the proposed legislation?

Mr. Carl Thibodeau: I think that all contributions of labour and resources or money should be counted as contributions, but if we're going to count volunteers who help make phone calls on local campaigns, that it also applies to agencies and firms that provide their expertise in the central campaigns of parties, including research, polling and marketing, which right now are not counted under the spending limits.

Mrs. Cristina Martins: One of the things that we heard from a presenter, and a recommendation that was proposed, was that only people performing professional services such as polling, research and advertising be prevented from being sent to work on a campaign while being compensated by their employer, while allowing people performing campaign tasks like phone banking, canvassing and sign installation to receive compensation from their employer or union—and you're a union member yourself. I wanted to find out what your thoughts are on this distinction.

Mr. Carl Thibodeau: I know that we had a lot of our union members volunteer their time on weekends and their days off. How you stop that from happening, I don't know.

Mrs. Cristina Martins: You won't comment? Okay.

Mr. Carl Thibodeau: Yes.

Mrs. Cristina Martins: Is there any practical way that we could look at this issue without infringing on a person's personal rights and freedoms?

Mr. Carl Thibodeau: I don't know how you're figuring that out.

Mrs. Cristina Martins: Sorry, I didn't hear you.

Mr. Carl Thibodeau: I wouldn't know how you would figure that out, how you stop somebody from doing the time on their dime or not, right?

Mrs. Cristina Martins: As you know, part of, as I said, what we want to try to do with this bill, Bill 201, is really to take the appropriate steps to even the playing field by limiting the role of third parties in elections. Bill 201, as it reads currently, accomplishes this by taking the important step of limiting the amount of third-party advertising during elections.

What is not included in the cap are other political activities, such as mailings to union members or company employees or shareholders, and telephone calls to electors to encourage them to vote, along with day-to-day political operations and advocacy.

Should the bill that we're discussing here today, the proposed bill, make these activities subject to a spending limit to further even the playing field? And if not, if you can explain why.

Mr. Carl Thibodeau: No, I think that you need to be able to make them accountable and then have a certain spending limit, so that people know how much money is being spent on whoever is helping. I agree with that.

Mrs. Cristina Martins: Okay. Those are my questions for now. Thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Clark.

Mr. Steve Clark: Thanks, Carl, for your presentation. I'm going to be a little more specific regarding what Ms. Martins was just questioning you on.

The president of your union, Smokey Thomas, came before the committee and suggested that the section on definition of a contribution be amended by removing the exemption of paid volunteers and requiring campaigns to count this as a contribution. You support your union president in that recommendation?

Mr. Carl Thibodeau: Yes.

Mr. Steve Clark: Okay, good. I just wanted to make sure. I know Ms. Martins asked you four or five different ways, so I just wanted to get a straight yes or no.

I appreciate the fact that you, as well as many Ontarians, want the loopholes closed. I can sense that you're very upset, especially with some of the media reports about cash for access, and you gave a number of examples. I think many Ontarians share that frustration and anger.

You made two recommendations. One was that the limits be reduced, and I think you can acknowledge whether many of your members can accept the present limits under this guideline. I'm also very encouraged by your comments about pay-to-play restrictions, and I want you to reiterate your recommendations to the committee on what you think the bill should include.

Mr. Carl Thibodeau: If you're getting involved—like, if you're going to do stuff—then you don't get to go to the dinners, or you don't do the dinners afterwards—I've just got to read my notes here again—and you're not involved after, like the Hydro One thing with the banks. They don't get to be involved with donating more money at dinners and things like that.

Mr. Steve Clark: Yes. If I heard you correctly, you used that dinner as an example, and you referenced some US restrictions where, in some areas, you can't have a contract—I think you used the words “four years,” which was the term. Was that your recommendation?

Mr. Carl Thibodeau: Yes. The election cycle.

Mr. Steve Clark: The election cycle. Okay.

So the other issue that has come up periodically—and you might not have a comment; you didn't include it in your presentation—was the issue about government advertising. The Auditor General talked about the fact that this government stripped her of her powers and gutted existing legislation. We've had a number of criticisms about the way the government is advertising in a far more political way than many Ontarians feel that they should. Do you think their advertising should be restricted to maybe tender ads or job creation ads or public safety ads prior to an election, as opposed to more direct political activity?

Mr. Carl Thibodeau: If it's more direct, then I think the other parties should get some money to be able to do the advertising themselves. They're spending money advertising more politically instead of promoting what they've done for us during their tenure. I don't know. I don't know how you fix that, but I think maybe the

parties then get to have some TV time also, or some promotional air time.

Mr. Steve Clark: So you'd do equal time for all of the registered political parties.

Mr. Carl Thibodeau: Yes, even before or during.

Mr. Steve Clark: Oh, okay. All right. Thanks for your presentation, Carl.

Mr. Carl Thibodeau: Thanks.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Fife.

Ms. Catherine Fife: Thanks, Carl, for calling in and for sharing your views. Actually, Mr. Clark has asked my government advertising questions. I think it's very alarming that we agree so heavily on these issues. But I do thank you for taking the time to call in.

I just wanted to get a sense—because you've been very clear on where the changes to the act need to happen. We're going to be trying to make some amendments to Bill 201 to ensure that it is fair, that it does level the playing field and that it doesn't silence the voices of issue advocacy groups.

When you read those articles about who's in those rooms, who holds power, and the perception of how power is affecting policy and legislation in the province of Ontario, what do you think that does to the confidence in our democracy?

Mr. Carl Thibodeau: It doesn't look fair or seem fair in that they're able to have an hour or two hours with all the ministers. I know that when we try to get meetings, we have about a 15-minute meeting with an MPP, if you try to set something up with them.

I think that, yes, you've got lots of work ahead to try to figure out how to make this accessible for everyone, to have access to political leaders.

Ms. Catherine Fife: Thank you for your time today, Carl.

The Vice-Chair (Mr. Lou Rinaldi): Okay. I think that ends the session. Thank you very much, Mr. Thibodeau, for taking the time to get in touch with us by phone. Certainly, your comments were well received.

To the committee members, before we adjourn, just to let you know, lunch is served where we had breakfast, and then we come back at 1:30. I remind members who stayed here last night that checkout is at 2 o'clock, so I encourage you to check out during lunch.

The committee is adjourned until 1:30.

The committee recessed from 1141 to 1330.

The Vice-Chair (Mr. Lou Rinaldi): I would like to call the meeting back to order. It's now 1:30.

ONTARIO HEALTH COALITION

The Vice-Chair (Mr. Lou Rinaldi): On the line, I believe, we have Natalie Mehra, executive director of the Ontario Health Coalition. She's talking to us from Toronto. Can you hear us, Natalie?

Ms. Natalie Mehra: Yes, I can.

The Vice-Chair (Mr. Lou Rinaldi): Good. Welcome. The routine is, as you probably would know, you have 10 minutes to present and then we have 15 minutes for com-

mittee members to ask any questions or clarifications. The floor is yours.

Ms. Natalie Mehra: Okay, thank you very much.

Thank you for accommodating us and hearing from us today on this bill. It's an important piece of legislation. I wanted to start by expressing our support in general for all of the political parties and the progress toward improving the transparency and accountability for election campaigns and election donations and also for the steps in this bill toward limiting election spending.

We had a few issues with the legislation and some of it just comes down to clarifying some issues that impact particularly NGOs and the ways in which we work in election campaigns. We have some experience with this because of the last federal election and the new legislation at the federal level. So we're just bringing that to bear on this bill as it's currently drafted.

The key issue for us is that the legislation defines political advertising very broadly, very much like the federal government did in its election finances legislation. That definition includes "any broadcast, print, electronic or other medium with the purpose of promoting or opposing any registered party or ... candidate." It includes, under the definition of advertising, anything "that takes a position on an issue with which a ... party or candidate is associated...." That's extremely broadly worded and it takes in all non-partisan issue campaigns, which are the types of campaigns that our coalition engages in.

Non-partisan issue campaigns such as, for example, putting up on our website a table or a chart comparing political party platforms on five or six key health care issues as we see them prior to an election campaign would be considered, I believe, under this definition, political advertising for the purposes of the bill.

I'm not quite sure how it's in the public interest to define political advertising so broadly. It seems clear that partisan advertising, advertising directed toward electing a particular party or unelecting a particular party, should fall under the definition. But it's not clear to me or to us how just simply defining issues for an election campaign or engaging in public education around key issues, just because a party happens to have associated themselves with an issue at some point in time undefined in the legislation, should be considered political advertising.

That's going to hit the smallest NGOs and citizens' coalitions because they'll have to register once they reach \$5,000, which, if you include all of that electronic media, is pretty easy to do. Then they're going to have to pay thousands of dollars for auditors and so on.

So that's our only concern. We support completely the idea of defining clearly partisan campaigning as election advertising and controlling it and having it clearly reported and transparent. It's just the general public education and non-partisan issues-based items that we're concerned about.

Furthermore, we're concerned about some of the references to sending out transmissions; for example, broadcast emails which go to our listservs. There is no

way to determine whether or not people have paid a membership and/or keep up those listservs in order to separate out paid members versus non-paid members and so on. That whole part of the legislation is ungovernable and posed a problem for a lot of NGOs during the federal election campaign.

In fact, in the federal election campaign, we received legal opinions that held that broadcast emails, websites and social media were included. Later, that appeared to be abandoned by Elections Canada in the regulations and in the guidelines that it sent out.

It appears in the Ontario legislation that existing websites, social media sites and broadcast emails to our member and supporter lists would be included. As I say, that becomes very problematic.

There's that issue, and then the second issue for us is that the legislation needs to clearly define what an entity is. It's not clear to us. Are we separate from the local health coalitions across the province? Are we separate from the Canadian Health Coalition? We all have separate governance, although we share a name. It seems that it should be that entities with separate governing bodies should be clearly considered separate even if they are multi-tiered organizations like ours.

In the case in which we're working on joint campaigns, that entity that pays for the materials would have to report it. I think that is clear already in the legislation.

So that's our feedback. We thank you very much for your work on this legislation. It's very much in the public interest of Ontarians, and we deeply appreciate it.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Ms. Mehra. Now we'll go to some questions from the members. I have MPP Clark.

Mr. Steve Clark: Hi, Natalie. I just want to say to the committee again that I have been involved in meetings in my local riding with Natalie's group and with, for example, the Brockville health coalition in regard to cuts that the government has made to my hospital. We didn't charge any cash for access to that meeting; it was totally open. I just want to make that disclaimer, as I've done in the past.

One of the things that you mentioned was political advertising, right off the top. I figured that you would. It's a common thing that deputants have talked about. Can you tell us how much you would have spent pre-writ and during the writ in the last provincial election as an organization?

Ms. Natalie Mehra: I'm ballparking this because I don't have the receipts right in front of me—

Mr. Steve Clark: That's okay.

Ms. Natalie Mehra: —but I'm going to say that we bought 500,000 leaflets and we went door to door with them. I think half a million leaflets cost us about \$20,000 in total.

But what is defined in this act as advertising would include our existing website and anything we send out to our listservs. We send out messages to our listservs of 30,000 or 40,000 people a few times a week, maybe. I wouldn't even know how to account for that—what slice

of the cost per year that is or how we would even figure that out. But that would all count under this legislation, so it would be more than that.

Mr. Steve Clark: Did the coalition provide any paid labour to any political party in the last election?

Ms. Natalie Mehra: No, because we're non-partisan. We don't support any particular political party. Usually, we have the same set of issues that we've worked on for years and years and years. We just assess the party platforms against those issues, and then we try to make them election issues, so that we get the parties to make promises on them. Our campaigns are issue-based campaigns and non-partisan.

1340

Mr. Steve Clark: Does the coalition have any position on that issue of groups—lobbyists, corporations, unions—providing paid employees during a campaign in a candidate's campaign office? We've heard a number of positions expressed at the committee. Do you have one?

Ms. Natalie Mehra: Is the question whether that should be considered paid political advertising?

Mr. Steve Clark: Some feel it should be outlawed; some people feel it should be recorded. I just wondered if you had a position either way.

Ms. Natalie Mehra: We have not taken a position on that, but I think, in general, the coalition would believe that all spending should be subject to spending limits and that it should be clearly reported.

Mr. Steve Clark: Okay. I'll let Ms. Fife ask the question about government advertising. I don't want to steal it from her again.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Wong.

Ms. Soo Wong: Natalie, welcome. Thank you for joining us this afternoon. I'm very pleased that you can join us this afternoon to talk about election reform.

I've got a couple of quick questions for you with respect to the third-party spending cap. As you know, Bill 201 is seeking to amend the spending limits on third-party election advertising of \$100,000 and \$600,000 in the six months preceding the election. I'd like to hear from you and your coalition, specifically dealing with third-party advertisement limits. Does your coalition support this number, in terms of the amount, or is it too high or too low, in terms of spending limits for third-party advertising?

Ms. Natalie Mehra: It's a good question. Unfortunately, because the act was introduced and the hearings announced so late in the year, I have not been able to have a board meeting for more in-depth discussion about what a number should be.

What I can say to you is that our major issue is not so much what the number is but how political advertising is defined, and that it captures both partisan and non-partisan efforts. That complicates matters, we believe.

We don't come anywhere near those numbers; we never have. Most of the NGOs that we work with don't come anywhere near those numbers. They don't directly impact us, so that had not been a priority issue for

discussion for us. I'm afraid I don't have an answer on what we think the number should actually be.

Obviously, groups with a lot more money are able to spend that kind of money on elections, but most of the community groups in Ontario don't, so it doesn't affect us.

Ms. Soo Wong: I want to drill down with regard to by-elections. In 2012, we saw that registered third parties were responsible for 61% of all campaign expenses. Do you believe that by-election rules need to be included, to make sure it's a level playing field?

Ms. Natalie Mehra: Yes. I didn't realize they weren't, but yes.

Ms. Soo Wong: Okay. In terms of third-party activities, I'm going to ask you a quick question, because I know time is limited. What I'm going to ask you is this—right now, there are different political activities going on from your coalition and others, like mailings to your members, or a company employee sending out stuff to their stakeholders or making phone calls. Do you believe that in this proposed bill, Bill 201, these kinds of activities should be subject to some kind of spending limits? You have to pay to do the mailings, right? You have to pay for the phones to make the phone calls. Do you believe that this needs to be included so that it would be what I call a level playing field?

Ms. Natalie Mehra: Yes. I think the balance that needs to be struck, though, is that campaigns are clearly created to elect particular parties or un-elect particular parties and, we think, ought to be treated differently than campaigns that are created to create public awareness about a particular issue, or on a non-partisan basis. It's pretty easy to differentiate from organizations that spring up during elections, just to impact the election in a partisan way, and groups that have existed and, on a consistent basis, have advocated around a set of issues and are trying to educate the public around those issues, and their ramifications, or where the parties stand during an election campaign.

Our issue is that we think that the smaller groups that will be facing \$2,000 or \$3,000 audit charges, which are high costs for very small groups, will have a problem doing their public education work if the non-partisan part of their work is captured under these definitions of political advertising. That's our only concern, really, other than clearly defining what is an entity for multi-tiered groups.

Ms. Soo Wong: Thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Fife.

Ms. Catherine Fife: Thanks, Natalie, for calling in. We've heard from delegations from across the province. People have talked about letters to the editor and op-eds that are included in Bill 201. There are issues, obviously, that are going to garner more free media than others, like through social media, because this happens during an election. An issue comes up, be it housing or child care or child poverty, and campaigns start. Just as you mentioned, there are grassroots campaigns.

What do you think the impact will be on advocating on important issues that do not get the same attention?

Do you think there should be caps on campaigns to raise awareness on poverty-based issues, for instance? You're coming from a unique position, from the not-for-profit sector.

Ms. Natalie Mehra: I do think that there should be transparency. It's not clear to me or to us what is the public interest that's served by trying to curtail or limit expenditures on non-partisan issue-based campaigns, or ongoing issue-based campaigns that a party just happens to, in the words of the legislation, be associated with. I don't know what that could even mean, really.

I think that's the problem. If you think of a small coalition like we have at the Chatham health coalition, for example, they will hold an all-candidates meeting. Probably they may distribute some leaflets, they may create a Facebook page and put a chart up on it about how the candidates stand on cuts to their local hospitals or private clinics or the types of issues that we've advocated around for a long time. Once they get to \$500, they have to register. I think that's fair. I think they should have to say who they are and what their mandate is on every piece of material, but as for having to get an auditor and submit financial reports and pay, it will be around \$2,500 or more. Once they've reached \$5,000, because a listserv is included, every email they send out to a listserv would have to somehow be accounted for and that's very onerous for—

Ms. Catherine Fife: Yes. That's what we heard this morning from the Social Planning Network of Ontario. They said that the registration, the expense accounting, the reporting and the auditing requirements of any activity that they do during an election period would surely challenge the capacity of already highly under-resourced community-based non-profit groups. That's very consistent with what we're hearing from the not-for-profit sector.

Just on the flip side, though, instead of adding layers of administrative weight and barriers to being involved in the democratic process, you also have the government on the other side who can advertise for those six months pre-writ and can actually advertise during the election period. Do you want to comment on that imbalance?

Ms. Natalie Mehra: We have been very concerned about government advertising. It really started in a big way in the late 1990s and it has continued ever since. The advertising is often just a waste of taxpayers' money, frankly, and definitely PR and ought not to be allowed leading into election campaigns or during election campaigns. I believe it's transparently partisan PR and it should be stopped.

I think that Ontarians are quite sickened by it. In town hall meetings that issue comes up a lot for us. People are angry about it. They see local hospital cuts, and then they see hundreds of thousands of dollars being spent on advertising and self-promotion from government. It's appalling.

Ms. Catherine Fife: So you would like to see this committee recommend to shut that advertising down during the election period, from the government's advertising perspective?

Ms. Natalie Mehra: I don't know why the deadlines wouldn't be the same for government as they are for everyone else. If it's six months preceding and during the election period for everyone else that the limits kick in, it ought to be the same for governments.

1350

Ms. Catherine Fife: Okay. Thank you very much, Natalie.

Ms. Natalie Mehra: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you. Ms. Vernile.

Ms. Daiene Vernile: Natalie, this is Daiene Vernile. I'm the MPP for Kitchener Centre. Good afternoon to you.

Ms. Natalie Mehra: Good afternoon.

Ms. Daiene Vernile: I really was very much encouraged by the comments that you made about how you support transparency and accountability. The fact that we have this all-party committee that is travelling the province this summer and getting feedback from as many people as possible, including yourself, should be a signal to you and to all Ontarians that we are very committed to this process. We want as many people as possible to weigh in on this very important legislation as we amend it.

Natalie, I want to say to you that the proposal to have third-party advertising spending limits has been recommended to us by the Chief Electoral Officer as well as many other witnesses who have appeared before this committee. The argument, of course, is that limiting the advertising onslaught will be mainly directed at wealthy corporations. It's going to allow a more diverse set of voices to be heard before and during elections.

I just want to confirm your position on these limits, considering that for-profit corporations can also qualify as third parties. What are your thoughts on that? Should they be limited?

Ms. Natalie Mehra: Yes, I think we've been very clear. This is what we support in the legislation, that there would be clear spending limits and transparency in public reporting of political advertising. To be very clear, we are totally supportive of that.

Where we have an issue is in defining what an entity is—so clarifying how to deal with multi-tiered agencies or organizations like ours—and secondly, in non-partisan public awareness campaigns being considered political advertising.

Ms. Daiene Vernile: And therein lies the debate when you have an individual, a corporation or a union—whether they feel that they're merely informing the public or whether they're giving directives on how to vote. Would you agree with that?

Ms. Natalie Mehra: I think there is a line that one has to forge. It won't be perfect, but I think it could be forged to be more clearly supportive of smaller organizations' issue-based campaigns, and more clearly define political advertising as that which is partisan or which leads to a conclusion of electing or not electing a particular party.

Ms. Daiene Vernile: Natalie, we really appreciate your calling in. We'll certainly consider your recom-

mendations and take them back to Queen's Park. Thank you.

Ms. Natalie Mehra: Thank you. Thank you for your work on this.

The Vice-Chair (Mr. Lou Rinaldi): Natalie, thank you so much for joining us today; although via teleconference, we certainly appreciate it. If there is anything else you want to forward to us, we'd certainly appreciate it. Thank you.

Ms. Natalie Mehra: Thank you for your time.

CONGRESS OF UNION RETIREES OF CANADA, HAMILTON-BURLINGTON-OAKVILLE

The Vice-Chair (Mr. Lou Rinaldi): We go to our next delegation. I see we have Malcolm Buchanan, president, and Bill Thompson, executive member, of the Congress of Union Retirees of Canada, Hamilton-Burlington-Oakville chapter. Welcome, gentlemen. You have 10 minutes for your presentation, and then it will be followed by 15 minutes of questions by the members. If you could identify yourself for Hansard before you begin, it would be much appreciated.

Mr. Malcolm Buchanan: Thank you very much, Chairman. My name is Malcolm Buchanan. I am the president of the Hamilton-Burlington-Oakville chapter of the Congress of Union Retirees of Canada. My colleague Mr. Bill Thompson is an executive member of our organization.

We'd like to quickly go over what the Congress of Union Retirees is. We are an organization that represents union retirees from various unions, including CUPE, OPSEU, OSSTF, PSAC, Unifor, United Steelworkers and so on. CURC acts as an advocacy organization to ensure that the concerns of retirees are heard and addressed. Specifically, CURC's mandate is to petition Legislatures for legislation that benefits seniors and trade union members.

CURC is an active supporter of the Ontario Health Coalition—and you've just heard from Natalie on that—and various other third-party organizations that advocate for seniors' and trade union rights. Many HBO CURC members continue to be active in Ontario politics: Some are active members of Ontario political parties; many donate both time and finances to political parties; some have run as MPP candidates in both provincial elections and by-elections. Currently, HBO CURC has members who are former MPPs and at least one who is a former MP.

CURC strongly believes that the electoral system should be about empowering the public and improving access to information on the issues that affect us all. Bill 201 proposes to establish new rules that could effectively bar organizations from engaging in public advocacy campaigns on any issue that could be remotely related to the government or a registered political party during an election period. Limiting third-party advertising during election campaigns and for the six months leading up to a

provincial election while placing no restrictions on government advertising is problematic. Permitting unfettered government advertising during these periods can only benefit the party that currently forms government. The expenditure of public dollars on government advertising is an unfair advantage that can only benefit one party, and this should be stopped.

The background for this legislation was developed as a wave of criticism of the Liberal government in relation to both government-sponsored partisan advertising as well as cabinet-minister-sponsored events that target lobbyists with high-priced fundraising dinners. The high-priced fundraising dinners became known as cash-for-access fundraisers. These fundraising activities may well have been within the boundaries of the existing legislation's finance rules, but the perception was unethical and toxic. The message clearly given is that those who have wealth can buy political favours at the expense of those who do not. This is totally undemocratic.

My colleague Bill Thompson will talk about some of the donation rules and contribution limits.

Mr. Bill Thompson: Thank you.

CURC members are not only active politically; they are also active in their churches, in their social, environmental and anti-poverty organizations and in amateur sports. Like many people, we have a broad membership with many interests, but they all focus around benefiting the community and a large degree of commitment to democratic values.

With that in mind, the proposals we bring before you are not targeted to the legislation because we believe that's your skill. That's your ability: to take the desires of the public and turn them into legislation, into that fine print that I was trying to wade through—and boy, is it fine; I'm noticing that now.

With that in mind, I wanted to say that the key to this—the key concept—is that money and speech are separate; that speech and the democratic process should not be bought and paid for and that, therefore, the limitations on financial impact on elections should be clearly defined.

That's one of the differences between us and our neighbours to the south. It's something that we are proud of and that we need to enhance to ensure that it continues to be clear that democracy is the will of people and not of bank accounts.

With that in mind—we're talking about donations—unions and corporations should be barred from making any donations, including in-kind donations of personnel, equipment, printing etc. Voluntary labour will not be included, nor will labour performed by someone who “does not receive from his or her employer or from any person, corporation or trade union pursuant to an arrangement with the individual's employer, compensation ... of that which he or she would normally receive during the period such” services are performed. In other words, this means that unions and employers will be allowed to book people off to work on election campaigns.

As someone who grew up and learned about democracy by being able to work in grassroots campaigns,

having the time to do that when you're making what was then slightly better than minimum wage in a union shop that didn't have a strong bargaining position—it gave us an opportunity to learn and become active and do things that otherwise we just could not get to do.

HBO CURC recommends that there be greater due diligence into corporate practices of topping up employees who donate to favoured political parties.

HBO CURC recommends that parties should be required to report the names of the employer of all contributors in order to provide greater transparency and to guard against corporations attempting to skirt the contribution limits by funnelling money to parties through their employees. Unfortunately, I've never been able to work in that kind of environment; maybe that might be fun. But at any rate, since we believe—in fact, we're fairly certain—that it happens, it shouldn't.

1400

HBO CURC recommends that there should be stronger provisions for professional services rendered to a political campaign, such as polling, legal services, research and advertising. Such services should be considered campaign contributions under the act and show on the books, especially since increasingly research and polling are critical components of effective campaigns.

Contribution limits: Bill 201 proposes lowering the annual donation to the central party to \$1,550, plus \$3,100 to riding associations and to \$3,100 to individual candidates in an election or by-election. This means that in most years that include an election or a by-election, a donor could give \$7,750. If there are two by-elections, the donor could give up to \$10,850. The proposed contribution rules would also eliminate the party contribution during general elections and by-elections. That will help create a more level playing field.

Current contributions rules are: Individuals, corporations and unions can donate \$9,975 to a party each year, plus \$9,975 to the party for each campaign period, plus \$6,650 annually to constituency associations. Individuals, corporations and unions can also contribute \$6,650 to candidates in any one party in a campaign, but no more than \$1,330 to a single candidate. This equals a current ceiling of \$32,850.

Our response is that the current contribution rate is far out of reach of all but the wealthiest Ontarians, but the new contribution proposal is still high. The proposal continues to favour the more affluent contributors and parties with the greater number of affluent donors.

HBO CURC recommends that the annual contribution cap be set at \$1,000 per donor to all parties and constituency associations, regardless of whether there is an election or a by-election.

HBO CURC recommends that the annual contribution rate also apply to all forms of political fundraising, both at the provincial and constituency levels.

HBO CURC recommends that all forms of cash-for-access fundraisers be prohibited.

HBO CURC recommends that by-elections must not be used as a fundraising tool for a party for the sitting government—actually, for any party, really.

HBO CURC supports the proposal to eliminate the party contribution during general elections to candidates.

Bill 201 proposes the candidate may contribute \$5,000—

The Vice-Chair (Mr. Lou Rinaldi): You have about a minute left.

Mr. Bill Thompson: I beg your pardon?

The Vice-Chair (Mr. Lou Rinaldi): You have about a minute left.

Mr. Bill Thompson: Okay. I'll speed-read.

Both contribution rates are high and favour wealthy candidates. High personal contribution rates have serious implications for those who may or may not be able to afford to enter politics, thereby creating a situation of exclusion.

We recommend lowering candidate contribution caps to match individual contributions of \$1,000.

I'll thank you to read the section on loans. Thank you very much.

Mr. Malcolm Buchanan: If I can make one quick comment. You've heard about the third-party concerns. My colleague Natalie made those comments, but we do want you to look at the section regarding lobbying. This is an area that I think needs to be redone.

Very quickly, if I may, under lobbying, we would recommend that all lobbyists must be registered at Queen's Park, which I believe they are now, but we want to see that reiterated; that all former MPPs and deputy ministers must have been retired or out of politics for at least five years to qualify as a lobbyist; all lobbyists cannot offer any direct or indirect rewards to MPPs or senior government officials; all MPPs must maintain a record of all meetings with lobbyists, including what was discussed; and all MPP records of meetings with lobbyists will be made public every six months. This opens transparency. We believe that's the fair way to go.

The Vice-Chair (Mr. Lou Rinaldi): Thank you. Mr. Walker.

Mr. Bill Walker: Thanks, gentlemen, for your presentation. Just a couple of quick questions about third-party advertising. I want to reflect back to the Chief Electoral Officer. I presented a private member's bill to try to limit this, because I do believe it's a huge area of concern. The Chief Electoral Officer has at least two reports. Some \$8.4 million was spent in the 2014 campaign, more than the three major political parties. Would you suggest that that certainly needs to be changed?

Mr. Malcolm Buchanan: If we can address it this way, we would like to see a level playing field. If government advertising during the pre-election period and during the election period were to be stopped, then I would agree that there should be limits on third-party advertising.

Mr. Bill Walker: I certainly concur with your idea that there needs to be a limit on government advertising beforehand at any point. We are opposition, so I don't get

to do any of that advertising, but I certainly can be impacted if someone comes in with a very concerted effort, with a third party, with no limitations on what they can spend versus me, in a very limited capacity. I find it interesting that you're suggesting it goes too far. You talk about a level playing field, but have you given consideration that it should be the same for all people playing the game?

Mr. Malcolm Buchanan: That would be fair. That's why the current system is fair in that sense, because it's open. All third-party organizations can spend what they wish.

We believe that there should be an open discourse on political events, about the legislation, and we believe that the public should have a view on that. That's why we support the third-party access. But to put limits the way it is now, without putting in those other barriers, such as government advertising, it's not a level playing field.

Mr. Bill Walker: I would agree with your last comment. What I'm trying to get to is, I'm actually at a very unfair disadvantage right now, because a third party, or numerous third parties, can come in and outspend me, with no limitations, and I'm very boxed in, in how much money I can spend on a campaign. I find it interesting that I don't hear you saying that's unfair, and it's a level playing field.

Mr. Bill Thompson: I want to address another part of this, which is the impact that has on small organizations, including organizations like CURC. If we had to pay for an auditor to do our emailing and for putting out even one scorecard, let alone trying to hold an all-candidates debate, the auditing costs would be our budget.

For anti-poverty groups, for small, local organizations, whether they be environmental or on other forms of issues, that's a real impact and it's a real deterrent for their voice to be heard.

Mr. Bill Walker: Absolutely. It's also a real impact and a real deterrent when the big boys can outspend me 25 to 1.

The other question I guess I have is—and again, I certainly support your reality of the government spending beforehand—you talk about being opposed to the proposed amounts for third parties. Can you give me any idea, or have you given any thought to what those limits should be? You say they're not appropriate, but what should they be?

Mr. Malcolm Buchanan: It's very hard to put a figure on that. We've been involved in campaigns supporting other third parties, and even union advertising. But the limits that are proposed, we think, are very restrictive. There has to be a fairer way to look at it.

Right now, that's why we've come out and said, "Let's look at keeping the status quo as it currently is, and let's find out more about that particular issue, about how people are being disadvantaged in making those promotions." Right now, that is not happening.

Mr. Bill Walker: I'll turn it over to my colleague, if he has any questions.

The Vice-Chair (Mr. Lou Rinaldi): Yes, as soon as we do the round.

Ms. Martins.

Mrs. Cristina Martins: First of all, thank you and good afternoon. Thank you for being here.

Earlier, I believe it was you, Malcolm, who talked about the fact that we need to ensure that we have access to information. I'm not sure exactly what you were referring to in terms of access to information. We are here talking about electoral reform and the finance act. But I guess it's worth clarifying a point that I brought up earlier this morning, with what our committee has heard from presenters from across the province—this bill has travelled across the province—that Ontario is actually a leader when it comes to disclosure of donations to political parties in real time.

You, as an Ontarian, myself, anyone who is watching us—and I know there are perhaps a lot of people who are live-streaming today—anyone who can pick up the Hansard and read about it later on knows that they can go onto the Elections Ontario website and find out today who has donated to each of the parties represented here, and which political parties people have donated to, as long as that donation is over \$100 and has been made within the last 10 business days. We are actually one of the provinces that are most open and transparent in that respect—which leads me to my question to you, Malcolm: Have you ever donated money to a political party in the past, and if so, which party and for how much?

Mr. Malcolm Buchanan: I'm not going to perjure myself by saying no. Yes, I have.

Mrs. Cristina Martins: And to which party, and how much?

Mr. Malcolm Buchanan: I have given donations to the New Democratic Party.

Mrs. Cristina Martins: Okay. And you don't want to reveal how much? You don't remember?

Mr. Malcolm Buchanan: I think that's for me to say. I don't know why that's relevant, but anyway.

1410

Mrs. Cristina Martins: It's increased disclosure of information, like city of residence and employer, for donors. We talked about disclosing a lot of information. How much personal information are you willing to share and to provide?

Mr. Malcolm Buchanan: I'm quite prepared to divulge my address and my income. I'm quite open about that. It should be broad.

Mrs. Cristina Martins: What about who it is you work for, or which union you're affiliated with, or which company you work for?

Mr. Malcolm Buchanan: Absolutely. Yes, that's one of our concerns. We've heard stories about various organizations—I won't say which ones, but they're in the private sector—who have been able to make donations broadly, but it was made by the employees of that organization and they were reimbursed. That's something that has to stop.

Mrs. Cristina Martins: Okay. Some of this committee's witnesses have suggested that the current proposal to limit the spending on pre-writ third-party-associated issue ads be removed while maintaining the spending limit on pre-writ partisan ads. This would potentially lead to third parties being able to spend an unlimited amount of funds pre-writ on associated issues, while political parties would be unable to defend themselves, as party advertising would be subject to strict spending limits.

What are your thoughts on this potential uneven playing field? We want to make it a level playing field, and I think that we're all here with that mission and that goal in mind. What are your thoughts on this potential uneven playing field?

Mr. Malcolm Buchanan: I think what we are advocating for is that the public should have a say in what's going on. Right now, it's being left just to politicians, and sometimes that causes a bit of a concern, because we may disagree with that direction.

Let's take, for example, the whole issue of physician-assisted dying. I mean, how much information that has been coming out from the provincial government is about what their proposed legislation is or what the regulations are, and so on and so forth? We are very involved in that campaign, because we believe there should be more openness about that.

It's a tricky one to balance, but we want that information out there so we can have an input, because I think that politicians have to follow the demands and the interests of the public in general, not their own specific interests.

Mrs. Cristina Martins: I totally agree that we need to make sure. What the people in my own riding of Davenport elected me to do was exactly that: to be their voice, and to advocate on their behalf, and that's what I do every day. So I'm very surprised when I hear people coming here saying that they're only given 15 minutes to talk. My door is open, and it's more than 15 minutes.

Mr. Malcolm Buchanan: That's good.

Mrs. Cristina Martins: If associated-issue advertising for third parties is not subject to spending limits, would you favour removing that spending limit to political party ads, so that parties can defend themselves? And if not, why?

Mr. Malcolm Buchanan: I think political parties have got one advantage over the rest of us: They get free media attention. They get free TV coverage. We don't get that. There's an unfair playing field right there. That's why I think the spending limits that you are proposing for third parties are totally unacceptable, because you have all those other advantages to get your message out which we don't.

Mrs. Cristina Martins: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Mrs. Martins.

Mr. Clark, and then Ms. Fife.

Mr. Steve Clark: I've just got a couple of quick questions. On page 4 of your presentation, you talk about

loans, and you say that your organization supports the proposal in principle that corporations and unions will no longer be eligible to guarantee loans. The federal Chief Electoral Officer testified today, and their legislation is extended to trusts, endowments and other financial vehicles. Would you support those vehicles being added to this bill as no longer being eligible?

Mr. Bill Thompson: Yes.

Mr. Steve Clark: Then the second thing is—thank you for that answer—one of your members is OPSEU. They appeared before the committee regarding contributions, and they recommended that we remove the exemption of paid volunteers and require them to count as a contribution. I know that you used the words “greater due diligence.” I guess I’m asking you a direct question: Do you support one of your members, OPSEU, in their recommendation?

Mr. Bill Thompson: I’m trying to follow your—which comment? It’s in loans, but—

Mr. Steve Clark: It’s in political contributions. You acknowledge that unions and employers will be allowed to book off people to work for an election.

Mr. Bill Thompson: Right, but that should be counted—it could be recorded against the budget for the campaign.

Mr. Steve Clark: In the campaign?

Mr. Bill Thompson: Yes, we would support that, even though I’m a former OPSEU president.

Mr. Steve Clark: But you do support no political contributions by corporations and unions?

Mr. Bill Thompson: Correct.

Mr. Steve Clark: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Fife.

Ms. Catherine Fife: Thank you very much, Bill and Malcolm, for coming and sharing your views on Bill 201. I think you’ve made yourselves very clear on the government advertising and the pre-writ political party spending limits.

You didn’t get a chance, though, to weigh in on the public funding for political parties, so I’d like you to review that a little bit. I just preface it by saying that this morning, the federal electoral officer indicated that the federal party has reduced their public funding of parties, and that in turn has had the sort of spinoff effect of having political parties always in constant fundraising campaigns. So there was an unintended consequence in there and they’re going to do some review of that as well.

But the same recommendation is contained within Bill 201. Once the public funding is secured, after a certain point, it will be reduced. I wanted to get your feedback on that, the public funding of political parties.

Mr. Bill Thompson: Well, we talk about the idea of a \$2.26 per-vote subsidy which would decrease over five years, but I think the idea of public funding is important because, once again, it levels the playing field. Once again, looking to our neighbours to the south, it’s something that is an issue that has been brought back from time to time. At the end of the day, if the parties are able to function without having to spend most of their time

between elections and during elections fundraising, fundraising, fundraising and not talking about the issues, not listening to the voter—it’s almost at cross purposes. The importance of public funding, I think, is essential for allowing parties to function as democratic instruments and not as fundraising instruments.

Ms. Catherine Fife: And Bill 201 doesn’t limit cash-for-access fundraisers, and it doesn’t address potential conflict of interest or pecuniary interest with cabinet ministers meeting with stakeholders. But this really is the game changer, don’t you think? Yet the government is proposing to reduce it. So you would recommend that the government not reduce it? If you’re going to level the playing field, then level the playing field? Is that right?

Mr. Malcolm Buchanan: We do not want to see the subsidy reduced as it is proposed in the legislation. We would like it to keep going at the rate that they said it would; I think \$2.86 was the figure.

Ms. Catherine Fife: So you think this will be an effective tool to reduce the impact of big money on politics?

Mr. Malcolm Buchanan: I think it will help create a more level playing field.

Ms. Catherine Fife: Thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Walker, you have about a minute.

Mr. Bill Walker: Thank you very much. I think you might have answered it with Steve’s comment, but in your response to donation rules, you suggest that unions and employers will be allowed to book people off to work on election campaigns, and your last bullet suggests that things such as polling, legal services, research and advertising should be considered campaign contributions. I think you said you agree that the first one, booking off, should be part of the campaign expenditure of their budgets.

Mr. Bill Thompson: Correct.

Mr. Bill Walker: So you are agreeing that both of those should be tracked and constitute part of the election campaign.

Mr. Bill Thompson: That’s correct.

Mr. Bill Walker: Thank you. I just wanted to clarify that.

Mr. Bill Thompson: Political parties have the capacity to do this tracking and to do this accounting and reporting.

As a closing note, small organizations will be crippled if we have the same reporting requirements. For organizations like the Hamilton Coalition Against Poverty, which has got maybe 50 or 60 full-time, active members and has got zero budget—they meet in churches; that’s as good as they get. But every election, they put out information on the importance of poverty elimination in Hamilton.

They have no capacity to do that unless they find a friendly accountant. Accountants are nice people, but they’re not that friendly.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Mr. Buchanan, and thank you, Mr. Thompson, for being here today and presenting. It's much appreciated.

Mr. Malcolm Buchanan: Thank you very much for having us.

The Vice-Chair (Mr. Lou Rinaldi): Just for clarification to the members, the rotation is based on when you request to speak. I just wanted to clarify that, if

that's okay. I think that's fair. And I try to keep some type of time frame in my mind, not to abuse it—just so that you know how I do that.

That was our last deputation today. We need some time to pack up. Are you okay if the bus leaves around 2:40? All good? So we'll see you at the bus at 2:40.

This meeting is now adjourned.

The committee adjourned at 1419.

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CONTENTS

Tuesday 26 July 2016

Election Finances Statute Law Amendment Act, 2016, Bill 201, Mr. Naqvi / Loi de 2016 modifiant des lois en ce qui concerne le financement électoral, projet de loi 201, M. Naqvi	G-1329
Subcommittee report	G-1329
Mr. Steve Clark	
Ms. Emile-Anne Ladubec	G-1329
Social Planning Network of Ontario	G-1333
Mr. Peter Clutterbuck	
Social Development Centre Waterloo Region	G-1337
Ms. Trudy Beaulne	
Elections Canada	G-1341
Mr. Marc Mayrand	
Mr. Stéphane Perrault	
Mr. Carl Thibodeau	G-1350
Ontario Health Coalition	G-1353
Ms. Natalie Mehra	
Congress of Union Retirees of Canada, Hamilton-Burlington-Oakville	G-1356
Mr. Malcolm Buchanan	
Mr. Bill Thompson	

G-64



G-64

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Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Wednesday 27 July 2016

**Standing Committee on
General Government**

Election Finances Statute Law
Amendment Act, 2016



Journal des débats (Hansard)

Mercredi 27 juillet 2016

**Comité permanent des
affaires gouvernementales**

Loi de 2016 modifiant des lois
en ce qui concerne
le financement électoral

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Wednesday 27 July 2016

Mercredi 27 juillet 2016

The committee met at 0900 in the DoubleTree by Hilton, London.

ELECTION FINANCES STATUTE LAW
AMENDMENT ACT, 2016LOI DE 2016 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LE FINANCEMENT ÉLECTORAL

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.

The Vice-Chair (Mr. Lou Rinaldi): Did I wake everybody up? Good morning. Welcome. We're here in London this morning dealing with Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007. I'd like to welcome three new members who join us today: Ms. Sattler, Mr. McNaughton and Mr. Anderson. Welcome.

As you probably know, the committee structure, when it comes to questions, is not what we normally do; it's more of a discussion. I try to be as fair as I can to allot the time. There's no specific time restriction, but we have to be within the time frame of the presenter.

The first presenter, Mr. Wiseman, has an hour. We're going to allot him 20 minutes to do his presentation, then 40 minutes in the rotation. Please put your hand up so I can put your name down, and I'll try to manage that way. There's no specific time but try to be cognizant of your fellow MPPs.

Ms. Hoggarth, you had your hand up.

Ms. Ann Hoggarth: No, I was just—

The Vice-Chair (Mr. Lou Rinaldi): Okay. Mr. Anderson?

Mr. Granville Anderson: I am, just for the list. I'm okay.

The Vice-Chair (Mr. Lou Rinaldi): So you're good?
Interjection.

The Vice-Chair (Mr. Lou Rinaldi): Okay.

MR. NELSON WISEMAN

The Vice-Chair (Mr. Lou Rinaldi): Mr. Wiseman, welcome.

Mr. Nelson Wiseman: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): You probably heard me say that you have 20 minutes for your presentation and then we have 40 minutes for members to ask you questions or clarification, whatever that might be. Again, thank you for joining us by teleconference this morning. The floor is yours.

Mr. Nelson Wiseman: Thank you, sir.

I speak to you today after being invited to do so by two staffers for a political party. I want to say this isn't a piece of legislation I was keen to talk about, certainly not in any great detail. Nevertheless, I was asked. I'm an academic at a publicly funded institution—

The Vice-Chair (Mr. Lou Rinaldi): Mr. Wiseman, can I just interrupt for a minute? We're having a hard time hearing you so we're just trying to play with technology here.

Mr. Nelson Wiseman: Okay.

The Vice-Chair (Mr. Lou Rinaldi): Can you just give us a few test words?

Mr. Nelson Wiseman: Sure. Ten, nine, eight, seven—

The Vice-Chair (Mr. Lou Rinaldi): Perfect. Thank you.

Mr. Nelson Wiseman: Should I begin again?

The Vice-Chair (Mr. Lou Rinaldi): Please do.

Mr. Nelson Wiseman: Thank you, Mr. Chair.

I'm speaking to you today after being invited by two political staffers of a political party to do so. This isn't a piece of legislation I was actually keen to talk about and certainly not in any great detail. Nevertheless, I was asked. I'm an academic at a publicly funded institution. I'm appreciative of the support Ontario gives us, and I feel an obligation to contribute to public affairs when asked to do so, especially because I'm a political scientist.

But here's my experience: I was told I would have to write the committee Clerk and offer to appear rather than be invited, as I was by the federal special committee studying electoral reform, with whom I met on Monday on a subject, I have to say, about which I am much more engaged than party finance. I offered to meet with you in July, earlier this month, but I wasn't available that day.

Now, I note the Chief Electoral Officer told you he's interested in the public discourse about the proposed legislation. I suspect it's quite limited. My reading in preparation for talking to you was essentially his testimony to you on June 6, what he said and also the comments made by members in the questions.

Revisions to electoral finance laws are not a subject about which I am particularly taken for reasons that are going to become apparent from my comments. I don't consider myself an expert on party finance and spending, and I've only read the backgrounder to the bill, not the bill itself, because my experience is that you have to be a lawyer to grasp the fine points of such bills.

Nevertheless, I have followed media reports and I've read the testimony, as I said, that you heard from your Chief Electoral Officer. I'm impressed by his thoughtful contribution to your deliberations. I learned much from his presentation. I thought his observations were insightful. The facts he presented were helpful, although it seems to me that he and his office have a natural vested interest in expanding their capacities. Nevertheless, I respect their independence, their integrity and their opinions.

I teach a course on Canadian political parties but I actually devote little time to the details of party financing except insofar as there's a scandal or the sniff of a scandal. And it's more than a sniff that has led to this proposed legislation.

So I want to extend kudos to the media, particularly the Toronto Star, for exposing the private cash-for-access fundraisers, and also to the Globe and Mail for its follow-up investigative reporting. The Star has been a bastion of support for the Liberal Party in this province, so its exposé is to be lauded, and it speaks to its public service. The media has made an important contribution to public affairs in this matter, and credit for drawing media's attention to this also goes to the media sources, of course, including former minister Gerretsen.

I believe the revelations about corporations paying to get access to ministers, or that they feel shaken down to do so, is the reason the government has introduced this legislation and has acted with such dispatch.

The first thought I had when I saw the breaking story in the Star was, "Haven't other Ontario government parties done this, benefited from similar schemes?" What's striking about party finance legislation is the great variety in federal and provincial regimes and how they're constantly changing. An issue is, really, are they better overall and across jurisdictions than they were before? The rules have certainly become increasingly elaborate in the nets that they cast and, as I've said, the Chief Electoral Officer would like to expand his reach. It seems to me simplest for Ontario to adopt the federal legislative regime rather than to devise a new Ontario regime, although I have to say there are things about the federal regime I don't care much for either.

Before I speak to the bill itself, I'd like to say, as a political scientist who's a reasonably close observer of Canadian politics, that I'm interested in the role of money in politics but I also believe the role of money is generally overrated. We're attracted to money numbers because the media find it easy to report on party finance and spending because numbers are enticing. They're easy to grasp. They offer precision. They make comparisons easy. But they're not necessarily good guides to who

succeeds and who fails in politics and elections, which is ultimately what I'm interested in.

Jean Chrétien referred to money as the mother's milk of politics. Well, there's been a lot more of that milk around.

I note that according to the transcript I read of the Chief Electoral Officer, he told you that between 2012 and 2014 Ontario parties received over a half billion dollars in subsidies and reimbursements. Maybe that was a typo. If it's the case, it seems outrageously high to me as a citizen.

I think the media contribute much more to voters' political education than do the parties. Paradoxically, the continuing negative news coverage the government is receiving on this issue of cash-for-access to ministers—and I see, in fact, the cartoon in today's Globe and Mail and a story in yesterday's Globe and Mail—hurts the governing party much more than the money the party has raised in this questionable style has helped the party.

To be sure, parties need money for research, for organization and communications, but we've also seen there's no necessary direct link between the financial resources of the party or a candidate and electoral success or policy decisions. Money can be counted but it may not count in many elections.

Of course, I could give a number of examples. The most striking one that's going on right now is what's going on south of the border. Jeb Bush entered the presidential campaign last year with more money behind him—\$130 million—than all other 16 Republican candidates combined. When he suspended his campaign, he had spent most of that money. He hadn't won a single state. In the Iowa caucuses, he received less than 3% of the vote. Trump got 24%. CNN calculated that Bush had spent more than \$2,000 for every vote he received.

0910

So what do we learn from this experience? It's news coverage and the nature of the coverage that's much more important than advertising dollars or even having a ground game. It may not have always been so, but old-style advertising, while it can still be effective, is not as effective as it once was because of the revolutionary changes we've seen in media. According to the New York Times, Trump got almost \$2 billion of free coverage by May of this year but he had only spent \$10 million himself. The centre on media, politics and public policy at Harvard University found that coverage by the media is driven by news values rather than political values. In other words, the media like to cover Trump, and I love to watch him, because of his wild comments, his style. He's a good story. He catches eyeballs. And the media have a bias to want such stories. It was the same with Rob Ford.

Another factor in the United States is Fox News. It wears its politics on its sleeve, and it serves unabashedly as the Trump channel by channelling his campaign. MSNBC does the same for Democrats but with less success in terms of audience size. Fox goes for the gut. Reasoning and facts are secondary. MSNBC goes for

more facts, but it has a weaker effect on the gut. And many, perhaps most voters go with their emotions.

So we're in a new age of social media. I'm not discounting old media. I am a technological peasant, and I rely on old media.

I can show you in other elections, as well, how money hasn't counted much. Last year, the Alberta NDP won. The provincial Conservatives spent six times as much money. They ran third. In the 1993 federal election, the Conservatives spent \$25 million. They elected two MPs. The Reform Party just spent \$6 million. It elected 52 MPs.

So you can spend money and sometimes it can actually hurt you, as when the Conservatives ran that ad of Jean Chrétien's facial disfigurement and the backlash it elicited.

The reason we had a 78-day campaign last year, federally, is because the Conservatives had more money than the other parties, and because, if the campaign goes beyond 37 days, you're allowed for every day to spend a 37th more, they were going to outspend the other parties. But as it turned out, in fact, Jean-Pierre Kingsley, whom you heard from, accused the government of gaming the system by calling an early election, or dropping the writ early.

This is all prologue. Does it mean that I oppose legislation that regulates election funding? No. But I believe money is generally overestimated in its ability to buy love, whether it's electoral love or otherwise.

The Chief Electoral Officer quoted the Supreme Court decision in the Harper case of 2004. Let me quote it: "Where those having access to the most resources monopolize the election discourse, their opponents will be deprived of a reasonable opportunity to speak and be heard. This unequal dissemination of points of view undermines the voter's ability to be adequately informed of all views."

I respect the court's decision, but I respectfully disagree with the court's analysis, in light of the technological developments that we've had and what I've said about where people get their information. I want to turn what the Supreme Court said on its head. Jeb Bush and the Conservative campaigns I managed were cases where those with more resources failed to monopolize the political discourse. They failed to deprive their opponents of a reasonable opportunity to speak and be heard.

Media coverage, media use is much more vital to success and failure in politics than the money spent by the political actors. And not all media coverage is positive, as the governing Liberals are discovering with this cash-for-access scandal.

Now, money is going to work its way into politics the way lubricating grease or oil does on a squeaky bolt or screw. Whatever the new law eventually looks like, we've learned that inevitably there will be unforeseen loopholes that are going to lead to manipulating the rules and the spirit of the rules. That's what lawyers and accountants are hired for.

The issue that ignited the fire leading to this proposed legislation is the contribution of significant sums of money to gain privileged access to ministers. This is very serious because it implies undue influence and a conflict of interest in policy-making. The dilemma faced by political parties is that they do require some level of funding to sustain and promote themselves. Having public fundraisers is understandable but having private ones suggests something unsavoury is going on.

The proposed legislation falls short, in my opinion, in not requiring cabinet ministers to disclose publicly when they're lobbied, including at fundraising events. Cash-for-access events such as those the media has exposed ought to be prohibited, and I think lobbyists and stakeholders ought to be prevented from involvement in such fundraisers.

I don't think we need a commission of inquiry into what has gone on, as I think the Conservatives have proposed. It's going to prove inconclusive in terms of establishing that a contribution led directly to a specific policy decision. We're not going to have a smoking gun, and an inquiry would be a colossal waste of money, only enriching lawyers, and it's not going to contribute to the better welfare of Ontarians.

The proposed ban on corporate and union contributions I think is welcome. It should also be illegal for corporations to pay employees to donate on their behalf. But I don't believe, as one of my political science colleagues I think has suggested to you, that contributors to parties ought to be required to indicate who their employer is. That's their business. I don't think it's the public's business, and I'll tell you why. One of the reasons I don't contribute to a political party is that I don't want anyone who disagrees with my opinions and my observations in the media to say that my opinion is driven by my partisan considerations; that I'm a hack for a political party. If I weren't, their logic goes, I wouldn't have contributed to the party.

Now, why am I saying this? Because I recall the treatment of a grief-stricken father of a fallen Canadian soldier in Afghanistan. He sincerely questioned Canada's combat mission there. What happened? A Conservative spin doctor dismissed him as a Liberal flack because he had made some small contribution to the Liberal candidate in his riding. That was a disgusting thing to say about a grieving father who had just lost his son, but that's where politics is going.

Cutting the limit individuals are allowed to contribute to central party organizations I think is reasonable, but I think I would allow a higher cap than \$1,550; maybe double or triple. I don't believe giving \$3,000 or \$5,000 by a single donor to a central party organization buys undue influence. Yes, the amount should be indexed for inflation. I also think the limit should apply for years in which there is an election and it should represent the combined maximum permissible contribution, whether to the central party, an organization, a candidate or a constituency association. In other words, let's have a global limit, a hard cap, on contributions.

Third-party advertising: This is related to issues of freedom of speech and freedom of association, which are protected in the Charter of Rights. It's challenging to separate partisan advocacy and issue advocacy. We know third parties spend much more during elections on advertising in Ontario than they do federally. Mr. Hillier pointed that out.

I suggest we impose the same limits on third parties as are imposed federally during the writ period. If you impose spending controls on these third parties long before the fixed election date, I think they could be challenged on constitutional grounds. I know our courts are more restrictive about third-party advertising than they are in the US, but they may not tolerate putting a blanket on spending that applies outside of the official campaign period. After all, parties are free to spend all they want outside of the period. Even during a writ period, once a third party approaches its spending limit, from what I can see, there is nothing to keep its supporters from creating another third party to get around the limit.

0920

Collusion is difficult to prove and it's very lengthy to litigate. You could prohibit former political staff and consultants, as well as former party officials, from being involved with the third party, but probably only during the writ period.

I noticed that Ms. Fife feels that the government should not be advertising a program that hasn't been released, as it apparently has—I haven't seen the ads—with its cap-and-trade plan. But my thinking is this: Why are there ads about it at all? My understanding is that if the program is implemented, the plan is going to affect corporations directly. It's not going to affect me as a consumer, so why run ads? Corporations don't watch television. They don't read ads; people do. I understand they're not affected directly by the cap, so the ads sound like they're simply pandering to perceived public opinion on the issue.

I feel that much of what passes as government advertising is propaganda for the governing party, but all parties have been guilty of it. Rather than being promotional, I think government ads should merely communicate hard information, such as, "Where do I apply for this or that program? What are the program's requirements?" Don't tell me all the nice things about the program and how it's going to make my life better.

An annual subsidy to parties based on the number of votes they received in the previous election I think is reasonable, but I also support indexing the subsidy so it rises with inflation rather than having it decrease over time. This is what the federal Liberals did when they introduced subsidies in 2003. You might want to consider providing a full subsidy only in an election year. In non-election years, it could be less. There really is no need for partisan advertising two or three years before an election.

I don't believe the legislation should consider constituency nomination contests. It's not the general public's business to know the details of funding for candidates who seek a local nomination.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Wiseman, you've got about two minutes left.

Mr. Nelson Wiseman: Thank you, sir.

I think that local nominations are a party's business. They're not mine and they're not yours, unless you're members of the party in that particular constituency. I also have mixed feelings, therefore, about legislation that governs party leadership contests, although of course, non-Ontarians ought to be prohibited from contributing to any campaign.

For me, parties are voluntary organizations, and I think a big error was made by attaching party labels next to candidates' names on the ballot. Incidentally, Ontario was the last province to do this, and I think it was an error.

It's the real elephant in the electoral process. Party labels next to candidates' names on the ballot encourage voters to focus on the label on the ballot and not to think about who's running to represent them. It gives too much power to party leaders and central party organizations, who can keep candidates who call themselves Liberal, NDP, Conservative or whatever effectively off the ballot. Let candidates refer to themselves in their literature and in their advertising however they wish, but not on the ballot. If two or three prefer to refer to themselves as Conservatives in their literature, let the voter educate herself about which candidate actually best represents that party. I say let the parties determine their own leadership rules.

Do I have any more time, Mr. Chair?

The Vice-Chair (Mr. Lou Rinaldi): Sure. Maybe a minute or so.

Mr. Nelson Wiseman: Okay.

I think the loophole that allows corporations and unions to pay employees to work on campaigns has to be plugged. It seems to render useless the ban on monetary contributions by corporations and unions. I was particularly intrigued to learn from Guy Giorno's testimony that some American states prohibit contributions from companies that receive public funds or loans. When company lobbyists tell you that their companies contribute money as a way of contributing to the democratic process, they need to be reminded that corporations do not have the right to vote, only citizens do.

It seems reasonable to me that party research, polling and travel expenses ought to be subject to spending limits.

Mr. Hillier wondered why third parties spent so much more on advertising in Ontario than they do federally. I think one reason might be because Ontario is the home to most of Canada's unionists and largest corporations. The interests of unions are much more affected by provincial than by federal legislation. I thought Mr. Colle's comments on the cost we now impose on candidates, having to hire a chartered accountant keeping meticulous books, for example—they're well taken.

I learned from Mr. Clark that Manitoba bans all government advertising in the 90 days leading up to an election, except for emergency, tendering and employment

announcements. That sounds good to me. I think there's too much government advertising generally and much is of no use except to the government, which is trying to promote its image.

Let me conclude on this note: It's an irony of modern politics that public confidence and trust in parties and politicians has decreased since parties, governments and politicians began hiring professional communications consultants. They're seen as the spin doctors and propagandists that they are, but they use fancy titles. Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Mr. Wiseman, for your presentation.

We'll go to some questions. I'll go to Ms. Hoggarth.

Ms. Ann Hoggarth: I just wanted to know—Bill 201 recognizes the important role that loan guarantees play in election financing. That is the way—the proposed legislation requires that loan guarantee amounts are counted towards one's contribution limit.

Can you discuss the importance that loan guarantees play in financing elections and why it is essential to regulate them?

Mr. Nelson Wiseman: I don't know how big a role they have played in other elections because generally I haven't seen that—I follow the media, but I don't recall seeing in the media that this is how much the Liberals or Conservatives or NDP got in loans. I don't know if that's publicized. Maybe it's in this new legislation. Is it important that we know that information? Well, that's up to you to decide. Yes, I don't think there's anything wrong with that.

One of the problems we've picked up federally that we've seen—and this came up with the Liberal leadership contest; I'm thinking back to when, I think, Stéphane Dion ultimately prevailed—is that a number of the candidates went out and got loans, and they couldn't pay them back. There were no provisions for—they were required, I understand, under the rules, to pay them back—it just didn't happen—or to raise money to cover them. My understanding is that it didn't happen and Elections Canada just let them off the hook. I'm trying to recall what happened then. So what I know about loans and what's in legislation is quite fuzzy to me.

Ms. Ann Hoggarth: Parties finance their election campaigns by obtaining loans; all of the parties do that. These loans could be guaranteed by any person, corporation or trade union eligible to make a contribution and not count as a contribution. Do you think they should be counted as a contribution?

Mr. Nelson Wiseman: No, I'm not sure they should be. Maybe it should be publicized if you get a loan. But I don't know how this has been used or misused, so in the absence of that kind of information it's difficult for me to make a judgement. Actually, I think the people in the parties know more about this than I do. So I'm sorry, Ms. Hoggarth, I can't help you on that.

Ms. Ann Hoggarth: Thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Clark?

Mr. Steve Clark: Thank you, Mr. Wiseman, for your presentation this morning.

Mr. Nelson Wiseman: Is it Mr. Clark?

Mr. Steve Clark: It is. Good to hear your voice.

I appreciate some of the issues that you've brought up today. I'm glad that you've taken positions on a number of the sections. There are a number of loopholes, obviously, that are in this piece of legislation. It was rushed to get to committee stage, partially because, as you mentioned in your opening comments, of the stories in the Toronto Star and the Globe and Mail that really exposed this government's cash-for-access use of the legislation.

0930

I think the reason we're talking about sections to be added is because there are so many loopholes. Ms. Hoggarth just talked about loan guarantees. We had the federal election people here yesterday, and they acknowledged that this legislation has some gaps. It doesn't deal with trust funds, endowments and other financial vehicles, like the federal legislation has. I think that's partially why we've had discussions about openness and transparency.

I was a bit surprised with your position about having names, addresses and employers—and I think part of that discussion is because there are so many loopholes that are still in this piece of legislation. Again, there are other jurisdictions that require that. We heard deputants talk about some of the American states where you're able to search for people. I think that's part of the openness and transparency of the bill.

Did you have any other comments on that section?

Mr. Nelson Wiseman: No, I think it's perfectly okay. It should be published—who contributed and how much they contributed, and even their addresses, so we know that it's this Joe Smith and not that Joe Smith. But I don't think we should start getting into who they work for. What's the next question? What is their income? How far do we want to push this?

You used the word “loopholes,” and so did I. I did suggest, why don't you just carbon copy the federal system? But I think there are problems with the federal system as well. I'm not an expert in party finance, for the overall reasons I gave you.

I used to go into class and give all these numbers, and then at the end of the day, what did it mean? Actually, then we found out that there were all kinds of things that counted—Ms. Hoggarth mentioned loan guarantees—that weren't in those numbers. So it was easy for me to throw the numbers up on the board and to compare. It just didn't mean much.

Whatever regime you're going to come up with, there are going to be loopholes. That's what professionals are engaged to exploit. It's like that with almost every law, but especially when money is involved like this.

Mr. Steve Clark: I'll point people back, Mr. Wiseman, to former cabinet minister Mr. Gerretsen's comments in Kingston. He said the same thing: that the minute this legislation is tabled, you'll have the three parties go towards the loopholes.

I do want to ask you one other question, and it's regarding the advertising. I appreciate your reference to

my comments on the Manitoba system, where you can only have public safety announcements, government tenders, job application advertising, and none of that more partisan advertising

The Auditor General talked about the fact that this government has gutted the advertising legislation. Do you believe we should add a section to Bill 201 to put those controls back and give those powers back to the Auditor General, so that we can stop the partisan advertising that this government can provide during their tenure?

Mr. Nelson Wiseman: You're always going to have a debate about where the line is about what's partisan and what's informational. If I'm not mistaken, when the McGuinty Liberals ran for office, part of their platform was shutting down the kind of advertising that the Conservative government had been using before. Then, there was a lot shut down. Apparently things have loosened up again, and now I'm hearing the same criticism of the government from the opposition side—although the parties have changed positions—as I heard 10, 15 years ago. You can appoint somebody like the Auditor General or another official to weigh in on this, but it's very challenging: What's information and what's propaganda?

Think about advertising—I follow federal politics—under the former Conservative government. All of a sudden, apparently, all kinds of ads and public announcements began to appear and the traditional colour was now replaced by blue, and references to the government of Canada became “the Harper government.” That sounds to me like partisan advertising. They didn't think so, and they defended it. They said, “Well, that's how the media refers to the government.” I would say that was partisan. It was clearly partisan.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Anderson.

Mr. Granville Anderson: Thank you, Mr. Wiseman. I find your presentation very enlightening and informative.

The drafting of Bill 201 sought to implement election financing reform. Which of the following do you support, and how can it be strengthened in the proposed legislation: (1) levelling of the playing field by putting an end to corporate and union donations; (2) introducing a pre-allowance of funding to help in the transition of a more grassroots-funded party system; (3) lowering contribution limits for individuals, limiting partisan political advertising to six months before an election; (4) restricting pre-writ and during-campaign third-party political advertising; and, finally, (5) removing the by-election contribution period for central parties.

If you need me to go over anything—if you missed anything, I'll go over it for you.

Mr. Nelson Wiseman: Thank you, Mr. Anderson. Yes, let's go one by one, because I never got to jot them all down or to grasp them all. I don't process—

Mr. Granville Anderson: One by one?

Mr. Nelson Wiseman: Yes, okay. You used the term “level playing field” in reference to what?

Mr. Granville Anderson: Pardon? I didn't get that.

Mr. Nelson Wiseman: The first point you made is you talked about a level playing field about—was it unions and corporations?

Mr. Granville Anderson: Yes, for all parties, making it a fairer system.

Mr. Nelson Wiseman: That there can't be union or corporate contributions?

Mr. Granville Anderson: Okay.

Mr. Nelson Wiseman: Look, let's just start with the phrase “a level playing field.” It was used repeatedly by the Chief Electoral Officer. Quite frankly, I think it's an overused metaphor. We don't have a level playing field to begin with, which I think is acceptable. Parties that get more votes in the last election are going to get bigger subsidies than parties that get less votes. I'm not sure that we should treat all the parties the same. I don't want to give the Rhinoceros Party or joke parties or the Natural Law Party the same kind of public endorsement, public funding, we give to long-established parties that have established that they have significant public support.

I think that parties, even with low subsidies, like the Reform Party when it started in 1987, or the Green Party, can still have an impact because it's not only money that will count, although they are disadvantaged in the amount that they have.

But right now, at least federally—I don't know what it is provincially—parties that have more popular support in the last election have more access to free-time advertising than parties that have less. Does limiting union and corporate contributions change that? No. They will be restricted for small parties just as they are for large parties. I don't see that as a level playing field issue, but maybe we're talking at cross-purposes.

The second point you made: You used the word “transition” and, I think, the word “grassroots.” Could you elaborate?

Mr. Granville Anderson: By “transition,” I mean distribution of funding among parties per se. You touched on that a bit. How would you go about—I believe you covered it—making it fairer for parties, depending on—you alluded to the amount of votes they get etc.

Mr. Nelson Wiseman: Yes. I think the system we have, the federal model there, which is that the subsidy you get is related to the number of votes you've gotten in the last election, is reasonable. We can differ over the amount, but we should recognize where the public's support has gone. I guess that's similar to number one.

0940

Mr. Granville Anderson: I don't know if you caught this one: limiting partisan advertising to six months before an election—third-party advertising. What do you think?

Mr. Nelson Wiseman: I believe—but please let me know because, again, I don't know the intricacies of the law—isn't it right now simply restricted to the writ period?

Mr. Granville Anderson: Yes, it is. I believe so.

Mr. Nelson Wiseman: Well, if it is, then you might get challenges if it goes beyond the writ period, because there is an issue of freedom of speech.

Now, I don't recall the Harper case in 2004. I mean, I quoted from it, but I think the issue there is the National Citizens Coalition, the group Harper led. I think they wanted to have unlimited advertising during the writ period. I don't think the court said they can't advertise before. You could introduce it so that they're limited six months before, and you could introduce it so that they can't advertise at all. But if it gets challenged, I think it may be struck down. I have no idea how the courts would rule.

Again, you'd also have the challenge of what is partisan advertising and what is simply advocacy advertising. Maybe you're against abortion. A group wants to campaign on that. Only one party has that position, but you don't mention any of the parties. Should we see that as a partisan ad or simply an advocacy ad of people who are concerned about the unborn fetus? I respect that they're concerned about it, but should they be prohibited from saying so publicly? That's a challenging issue. That goes beyond do we categorize that as a loophole?

Mr. Granville Anderson: Yes, I agree with you on that because I believe we don't want to restrict freedom of speech; and where does it cross the line? That has always been a difficult question for me.

How do you feel about removing the by-election contribution period for central parties?

Mr. Nelson Wiseman: I didn't even know about this. I just know about it in general terms. I don't think there should be special allowance for by-elections. From what I can make out, it has served as a major loophole, allowing parties to raise a lot more money when they come up. I think what has happened here is some of these problems weren't envisaged when the legislation was last revised or drafted, and apparently it has been decades, so it's reasonable that you're looking at it again.

I don't really quite grasp why all the provinces are introducing these various regimes. Your mandate is just Ontario; would it not be easiest to just take the federal regime and use that? What is it that's distinctive—unique—about Ontario that we have to have different limits, different controls, different rules here and think that they are fairer than what the federal ones are? There are going to be loopholes in both and whatever you do, there will be the question: Which one is better?

Why don't we all move toward a common system? That's my general thinking about that. I understand that a lot of this revised legislation does incorporate many features of the federal regime, but, again, I'm not saying I think the federal regime is great.

As I said, for me, the main issue that I've noticed in the change in politics in the many years—decades—I've been following it is that no one appreciated how important adding a party's label was to the candidate's name. I think many people on the committee don't recall that first happened federally back in the early 1970s. What it has done is it has transformed our politics,

weakening the individual MP or MPP. A lot of people troop to the polls and they're not thinking about you. They don't know that Anderson belongs to this party or that party; they've decided they like this leader or that leader and they know this party or that party. They get to the poll and they know the party they want to vote for. "Oh, it happens to be Anderson. Fine, I'm putting him in." That weakens you as an MPP.

Now, once you're elected, people do turn to you to represent them. They've got issues they want brought up with the bureaucracy, with the government, whatever. But that isn't why I think most people get elected. Studies show that when people are asked, "Why are you voting the way you are? Is it for the party? Is it for the leader? Is it for the candidate?", consistently the local candidate is number three, and a distant third. It can make a difference if the local candidate happens to be the leader of the party or has a very high profile. It does help. Parties do want candidates like you, who have contributed in public affairs.

To me, that's the real problem with the system. But that goes outside of the issue of funding.

The Vice-Chair (Mr. Lou Rinaldi): Thank you. I just want to remind members to be cognizant of their colleagues, because they also have questions. We have about 20 minutes left for questions, so please be cognizant of your fellow members.

Mr. McNaughton.

Mr. Monte McNaughton: Thank you, Mr. Wiseman, for your presentation. I'm Monte McNaughton, MPP for Lambton-Kent-Middlesex.

I wanted to ask you specifically about the public inquiry. I know you said—correct me if I'm wrong—that you don't support one. I continually hear from taxpayers in my riding and across the province that they feel, I think quite rightly, that public policy has been for sale in Ontario for quite some time. One of the specific examples that I think highlights this is the fact that over the last three years, seven renewables companies—wind turbine companies, mostly—gave the current government \$255,000, and in the last round of renewable energy project announcements to go forward, all seven of those companies were awarded contracts. In the same round of announcements, the three companies that were excluded were the three companies that didn't donate to the Ontario Liberal Party.

So I want to ask you: Why is a public inquiry, in your mind, not needed?

Mr. Nelson Wiseman: You've already laid out the facts, Mr. McNaughton. They're devastating. I'm not sure what the public inquiry is going to tell us that you haven't told us. All this information—you picked it up; it's publicly available.

I go back to what I was intrigued by. Mr. Guy Giorno, who is a former assistant to the former Conservative Premier in Ontario, Mike Harris, gave the example of Virginia—Mr. Giorno is an expert, if there is one in Canada, on lobbying—where, he said, companies that get money from the government are prohibited from

contributing. But even if you introduce that, you're still going to have the problem of companies that don't get contracts contributing money to parties that they anticipate will win, because anybody can see the polls. You could see just before last autumn's election, in the last few weeks, that the Liberals were going to win. So you could give them money—"Oh, but you haven't given it to them while they were in government." That issue will come up as well.

I appreciate what you've brought up. Hey, that's illuminating. I think that did appear in the media—maybe not getting as much attention and focus as an opposition party would like, which is perfectly reasonable. That's your job, and you're doing it.

Mr. Monte McNaughton: My frustration and the frustration of taxpayers and concerned people in Ontario is the fact that there seems to be no justice for the taxpayers and no justice with the fundraising and how contracts have been awarded. I think they deserve an answer. I support a public inquiry. I think it would shine a light, especially with the recent story in the *Globe* and *Mail* saying that the ministers' staff are moonlighting as fundraising chairs for the party and for the ministers. I think the only way to shine a light on this is through a public inquiry.

I don't have any further questions.

The Vice-Chair (Mr. Lou Rinaldi): Now we go to Ms. Sattler from the NDP.

Ms. Peggy Sattler: Hi, Mr. Wiseman. Thank you very much for your presentation. I'm Peggy Sattler, MPP for London West.

I have three questions, and I'm going to be concise, so hopefully I'll be able to get to all three of them.

I want to start with the issue of third-party advertising, go back to some of the comments in your presentation and also some of the points you made in your response to Mr. Anderson's question on the difficulty distinguishing between issue advocacy and partisan advertising.

0950

Do you feel that the restrictions that are currently proposed in this legislation are appropriate in that they sort of cluster everything under the same kind of definition, so that advocacy organizations would fall under the same kinds of regulations as larger organizations, corporate organizations, unions etc.? Do you feel that that's appropriate, or should there be separate kinds of rules for advocacy organizations?

Mr. Nelson Wiseman: Well, I don't know. Should unions not be able to advocate for the interests of workers—their standard of living, their wages and so on? Or should corporations advocate in terms of bringing a business to a certain region that they want to develop? I don't know what the answer is because I'm not sure there is a definitive answer.

Now, Ms. Sattler, if I could just go back to Mr. McNaughton's points for a minute: He pointed out about the companies getting contracts for renewables and he's concerned about his taxpayers. I'm just wondering if the taxpayers are concerned that the contracts went to

specific companies, or if they're just concerned that any money is being given to companies, no matter who they are. That's one issue. I don't know, but I suspect it's the opposition to, maybe, the renewables.

As for staffers' so-called moonlighting, I don't think they're moonlighting. I think that's your job. You're a political staffer; you're not a civil servant. The minute the government changes, you're out of a job, just like the minister you've been working for. So I was not outraged by what I saw in yesterday's *Globe*, that political staffers are calling up and calling from the party's office, because again, as I say, they're not civil servants. It's not like you're getting your assistant deputy minister to raise money for you.

The bigger question is, should it not be publicly disclosed that there has been this private fundraiser and who paid to get there?

Ms. Peggy Sattler: Okay. The other issue is related to third-party advertising, which is the issue that I wanted to focus on. You had mentioned, I believe, that the third-party restrictions should only apply during the campaign period and not outside of the campaign period. Do you have any other recommendations about third-party advertising?

Mr. Nelson Wiseman: I wouldn't discourage you from extending it beyond the official writ period. I can envisage that it would be challenged. It may not be, and it may take hold. If it's not challenged for quite a while, it could very well be that the courts, after a long period, when it is challenged, will accept it because that has been the practice.

But even determining when the official campaign period is is tricky. Let me give you this example: You have a fixed election date law in Ontario. My understanding of the law is that unless the government is defeated, the election will take place on such and such a day. Well, in the last election we had, I didn't see the government defeated; I saw the government call an election without having been defeated simply on the basis of some public statement by the leader of the NDP. You never had the NDP come into the House with the Conservatives and vote you down. All you had was them saying they were intending to vote you down. That isn't parliamentary democracy. That happens in Parliament, not outside at some press scrum or something.

I recall that in 1985 when the Liberals and NDP had an accord, Frank Miller and his government said it was unconstitutional. Well, it never went to court and you couldn't find anybody who thought it was unconstitutional for one party to say it would support another party, but what he did is that he called the House, he read the speech from the throne and they were defeated. That was clear.

I'm just reflecting on the last election because I didn't see anybody in the media, in the opposition or anywhere point this out. Well, if you've got a fixed election date law, why don't you live by it?

Ms. Peggy Sattler: Okay. The other question I wanted to ask was about the cash-for-access fundraisers. You

made some excellent points about the threat to democracy created by these cash-for-access fundraisers. You mentioned, I believe, that the legislation should require ministers to disclose when they are lobbied, but then you also went on to say that lobbyists and stakeholders should be excluded from attending fundraisers that are held. Can you elaborate a little bit more about your thoughts on what the legislation should include regarding cash-for-access fundraisers?

Mr. Nelson Wiseman: I don't think lobbyists should be involved in setting up the fundraisers. Should they be permitted to go to the fundraisers? Whether they are or not, if we've got public information about who is there and what their company's connection is to the government, then that's good because that gives us exposure. We find out information.

My observation from following federal politics, and this is going on now in Ontario, is that our political system is being completely transformed—it's a gradual process—by the role of lobbying. The template that's being used is what goes on in the United States. So we have all kinds of organizations now that have permanent staff that are lobbying you, government ministers and bureaucrats, essentially 24/7. That's what they're hired for: "Go down to Toronto and sit there. Your job is to pursue our interests." Once upon a time, that didn't exist.

So the decision-makers, people like yourself, become increasingly dependent on them, rather than on citizens and the neutral civil service, for information on issues, because it's almost like a parallel civil servant.

I want to get back to your question. I'm trying to remember what I said, actually, about lobbyists. This is the thing: I don't know how we're going to tamp it down except than by throwing more light on it by publicizing it more—you know, who's lobbying who? I read in the *Hill Times* who the most lobbied ministers are, and by whom, but I don't really get an insight into whether it's effective or not. I do get to see whether ministers will see certain groups.

One of the things I've picked up already between the new government and the old government is that certain interest groups couldn't get the time of day with the old government, let's say, on climate change issues. Not in this government: Its ministers are very keen to bring these people in. So you have a change like that.

Ms. Peggy Sattler: The final issue I wanted to ask you about is that toward the end of your presentation, you made the point that the subsidy should be indexed to rise with inflation instead of decreasing, which is what is currently proposed. Can you explain why you believe that?

Mr. Nelson Wiseman: That's the system we had before. If \$100 today is \$100, why should we reduce its value to \$90 two years from now, if inflation is at 4% or 5%?

I was puzzled when I saw the proposal to decrease the subsidy. I thought it was the Conservatives federally who wanted to eliminate the subsidies. Nobody had complained before when it was indexed, and that seems to be

fair. I mean, we index pensions and we index all kinds of things that are out there.

If you don't believe in subsidizing parties, don't give them anything. But why are you giving them an amount that's higher today and then lowering it later? Because what you're suggesting is that they shouldn't have gotten it in the first place, that somehow it's evil.

What did shock me—but I still can't believe the number is true—is that the reimbursements and subsidies of various sorts added up to over half a billion dollars in the course of two years. Is that actually the case? Is that a typo? Because as a citizen, not as someone who is a political scientist, I said, "Wow, half a billion dollars. I've got better ideas how to help Ontarians."

1000

The Vice-Chair (Mr. Lou Rinaldi): We have about six minutes left. Ms. Wong.

Ms. Soo Wong: Good morning, Professor Wiseman. I'm very pleased that you're joining us this morning in London. It's always good to hear your views about provincial legislation.

I have two questions, one dealing with the threshold of the per-vote allowance. As you know, we are planning—as a government, and all three parties—to look at reforming election finances. The one piece I want to get your opinion on is the issue of the per-vote allowance. What's being proposed is to impose the per-vote allowance of \$2.26 per vote. This amount would be reduced to 75% over five years, and it will be reviewed after five years. What is your opinion about this allowance? Is it too high, too low, and what is your suggestion if it is too low?

Mr. Nelson Wiseman: First off, when you hear \$2.26, you say, "How come it's such an odd number?" You can't even get a cent now; the pennies have disappeared. That number looks suspiciously identical to what the federal subsidy was, which, I recall, started out at \$1-something, then it kept going up, and it was then slightly over \$2. So I think that's maybe where the number comes from.

As I've indicated, I think, fine, if you're starting with \$2.26 per vote, just index it every year. I don't think the number \$2.26 is too high or too low. I just think it's too low if you start decreasing it.

I don't think you have to put in that you're automatically going to review it. If you want to, I think that's fine. Look, if problems arise with the amount that's going out and people feel it's outrageous or not enough, they'll raise the issue. You don't have to put it right into the law that you're going to review it, because then it's going oblige you to go through all the steps of doing it. It's just like no one ran in the last election and said, "We're going to change the Election Finances Act. That's a big thing for us." I don't recall that being an issue. It may have been; I didn't hear it on the hustings. But now we've got the legislation proposed because there's a perceived problem, because it blew up in public. If that subsidy or something around it leads to some sort of scandal or sniff of scandal, it will be revisited at that

time. You don't have to put in a sunset clause or whatever.

Ms. Soo Wong: My next question to you, Professor Wiseman, is related to advertisements. I think several of my colleagues already asked you questions about advertisements. The piece I'm very interested to hear your opinion on is dealing with advertisements from not just third parties but on government policy and also government decision-making.

As you know, in the 2016 budget the government has made a commitment to enable every young Ontarian who wishes to go to post-secondary to get a free education regardless of their family income, making sure every young person has access to post-secondary.

My question to you is, do you consider this kind of advertisement of public education information to Joe Public—I have a very diverse community in my riding of Scarborough—Agincourt—partisan or government policy information?

As well, we have changed the laws recently in terms of public safety, dealing with texting and driving and crosswalks, making sure pedestrians are being protected. What's your opinion about this kind of information—not just education; information—for Joe Public so that they know what is out there? It is now almost August. My grade 12 students are not aware that the government budget is dealing with their post-secondary education. What is your opinion about this kind of advertisement?

Mr. Nelson Wiseman: I think it's just government promoting itself. I found out about the program about so-called free education—which I didn't see—through the media. It will be in the interest of post-secondary institutions to communicate this to people who are thinking of going to their institutions. Counsellors in high schools will be doing this. I don't need to find out about it from a government ad, which just seems to be self-promotion. I feel that about other things. If there are problems with texting and driving—which there are—that's what police enforcement is for. The newspapers report when there are changes in regulations and so on.

So I don't think the problem has been that we haven't had enough information. In fact, what I picked up from the news reports about so-called free public education is that, in effect, it wasn't going to be costing the government anything, the way it was structured. I don't know the details of it, but that seemed to me a much more compelling storyline than the fact that the government was opening the till to making something happen with more money, which it wasn't.

I'm sorry if I've disappointed you in my answer, but I'm very conscious, as Mr. McNaughton is, about the expenditure of public money. Maybe I'm an old fuddy-duddy, but I just don't like all these government ads. Once upon a time, we never had all these government ads and people still found out what the laws and the regulations were, because it's in the interest of those parties that are affected to communicate it to potential consumers.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Dr. Wiseman. Unfortunately, we've run out of time. We're

over the time; I apologize. Thank you again for taking part. It's very much appreciated, for you to take this time out of your day.

LONDON HEALTH COALITION

The Vice-Chair (Mr. Lou Rinaldi): We'll move on. Our next presenters are Mr. Jeff Hanks and Ms. Shirley Schuurman, co-chairs of the London Health Coalition. If you could approach. Yes, right there is perfect. Thank you for being here today.

The process is that you have 10 minutes for your presentation, and then we'll have a 15-minute opportunity for members to ask questions or get clarification. Welcome. At the beginning, if you could say your names for Hansard so they will be recorded, it would be much appreciated.

Ms. Shirley Schuurman: I'm Shirley Schuurman. I live in St. Thomas. I'm a co-chair of the London Health Coalition and volunteering with the Ontario Health Coalition since the 1990s.

I was amused by your previous speaker, who said that government ads were not in the past. I remember one from the Diefenbaker years. But that's okay.

I want to thank you for bringing this committee through Ontario and taking part of this lovely summer to advance the democratic process, and for giving us the privilege of presenting to you our concerns about what is fair and democratic as it pertains to our grassroots organizations promoting our publicly funded health care. I try to understand how amendments to Bill 201 will affect our striving to promote the need to improve access and quality and expansion, particularly in the London area, as well as in Ontario. Citizens will appreciate that amendments to Bill 201 are meant to bring accountability, transparency and financial limits to election campaigns.

I volunteer with the London Health Coalition; it is a chapter of the Ontario Health Coalition. This is an informal arrangement. Does the bill regard us as separate entities? The Ontario Health Coalition seemed to think this might be the right approach, if a decision on that has to be made.

I understand that in the new bill, there is a problem with understanding the precise meaning of "political advertising" as it pertains to calculating spending.

The health coalitions' approach is communication of non-partisan health care issues. I can't overemphasize that. The London Health Coalition has only Facebook and lists of those who have expressed interest. We communicate only non-partisan stances in all our activities.

An activity can be a campaign, not at election time—it was brought up just previously now that an election was called not within the normal date, and wouldn't that be interesting, to be in a campaign and all of a sudden, it's an election?—re a specific issue, planned by the Ontario Health Coalition, which we tweak with local aspects. Materials will originate with the OHC but we will add to many of those, at our own expense, as the need arises.

At election time, federal and provincial, we have held health care all-candidates meetings. Promotion posters and educational materials are supplied by OHC, which we hand out—non-partisan materials—to explain our stances and the reasons for them.

In the past, we have attended other all-candidates meetings. Having sought permission to have a table, we hand out materials to explain the OHC stance and the need for improvement in various sectors of health care.

In summary, we have joint and separate campaigns, all non-partisan politically. We believe all manner of our communications should not be classified as political advertising. Our participation in the democratic process at this level is not political advertising.

1010

Being a member of an ad hoc community group varies. LHC does not look for formal membership; we simply try to maintain lists of those who express interest in order to educate re issues, to inform about events and to seek volunteers. Of course, those costs are indeterminate.

As I am sure other groups have told you now a few times, we have no bank account. As you know, groups like ours—and there are many in society—seeking to speak out for the needs of the population, have no charitable status and exist only on contributions.

Thank you again for the opportunity for this presentation. I wish you well in your endeavours to bring this democratic process to communities.

The Vice-Chair (Mr. Lou Rinaldi): Great, thank you. We go to Mr. Clark.

Mr. Steve Clark: Thanks, Shirley and Jeff, for coming today.

You did mention the advertising at the very start. One of the things that the previous speaker referenced was some comments that I had made at previous hearings. The province of Manitoba, for example, restricts government advertising prior to an election. They do it for three months. They restrict it to a state of emergency, so if there's a public health emergency or a matter of safety, they would be able to advertise. If there were a government tender, they'd still be able to put those tender ads.

Ms. Shirley Schuurman: Like a virus that was in the community and so the people would have to take precautions.

Mr. Steve Clark: Yes, absolutely. Or if one of their crown corporations decided they wanted to hire somebody, those ads would still be there. Do you think that would be a fair restriction for a government prior to an election?

Ms. Shirley Schuurman: Prior to an election?

Mr. Steve Clark: Yes. In Manitoba it's three months before the fixed election date. Some have talked about six months before an election date. That would stop some of those partisan ads or perceived partisan ads that would be in the media.

Ms. Shirley Schuurman: Talking off the top of my head—I am not like Professor Wiseman. I'd really have

to think about that. It doesn't seem fair. I mean, a fixed election date is there for a reason; right? It's to limit propaganda.

Mr. Steve Clark: Absolutely.

Ms. Shirley Schuurman: Maybe Jeff has some thoughts on it.

Mr. Jeff Hanks: Are you meaning—

Mr. Steve Clark: Prior to the election in Manitoba—using them as an example, they have 90 days where the government is restricted on the types of advertising that they can put out in the media. It's restricted to those sections that I outlined, as opposed to a situation where the government could advertise in a more partisan way.

One of the things that happened last year was that the Auditor General had a press conference at Queen's Park. She expressed concern that the government had changed the legislation to allow more partisan advertising—it took some powers away from her. What Mr. Wiseman was talking about was the fact that when the McGuinty government came in, they put those extra controls in and then the Wynne government is now taking them out.

That was one of the things that the Auditor General suggested shouldn't be allowed and shouldn't be changed.

Mr. Jeff Hanks: So the government should be allowed to promote itself.

Mr. Steve Clark: There are some people who have appeared here who think we should amend this bill to put those strict controls and that strict oversight back in for the Auditor General.

Mr. Jeff Hanks: I wouldn't be in favour of a government being able to promote itself a lot during an election cycle.

Mr. Steve Clark: Okay. One other thing that I see in your presentation is that you talk about all-candidates meetings. I don't think this legislation prohibits you from doing all-candidates meetings because, as you say, you don't have a bank account and you're not actually expending any money.

Mr. Jeff Hanks: Well, we do expend a lot of money. We need to print stuff, we need to advertise—

Mr. Steve Clark: But the way I read your presentation, Jeff, you're getting that stuff from the parent organization, the Ontario Health Coalition.

Mr. Jeff Hanks: But it comes out of our pockets. Basically, when we decide to do something, by the time we can get some money from it, if we get anything at all, we have to do it all ourselves, pretty much, a lot of the time.

Mr. Steve Clark: So help me out. If you have no bank account, then how do you split up the funds? Do you have different partners that pay money, or do you do it by donation?

Mr. Jeff Hanks: Basically, a lot of us sometimes do it ourselves. We just pay for it ourselves, because we're so passionate about protecting public health care. If we didn't do it, we'd miss an opportunity to try and protect the services we have.

Mr. Steve Clark: Chambers of commerce are going to continue to have all-candidates meetings during the writ period. I don't see that Bill 201 restricts that. You're advertising for a non-partisan meeting.

I think there needs to be some clarity in this bill to recognize some of the things that groups like yours have put on the table.

Ms. Shirley Schuurman: That's it: the clarity, because it refers to promoting and opposing. It refers to opposing.

Mr. Steve Clark: Chair, I don't want to monopolize all the time, so I'll allow others members to speak.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Mr. Clark. Ms. Vernile.

Ms. Daiene Vernile: Harinder is going to go first.

The Vice-Chair (Mr. Lou Rinaldi): Okay.

Ms. Harinder Malhi: Thank you for your presentation. Ontario has been proposing to improve third-party advertising spending limits, and did something which has been recommended by the Chief Electoral Officer, as well as a number of the witnesses that we've seen over the last few weeks. These limits are going to help bring down the volume of the voices of wealthy corporations and allow a more diverse set of voices to be heard.

I just want to confirm what your position would be on these limits, considering that for-profit corporations can qualify as a third party as well. How would you feel about having these spending limits put on them so we can kind of even it out for everybody?

Mr. Jeff Hanks: We applaud limiting partisan spending, but at the same time, if you're taking a corporation that has access to millions of dollars and putting us on the same playing field, it's empowering for them but maybe, at the same time, less empowering for us.

Say we want to have a local debate. We raise, say, \$500, or it comes out of my pocket. I have to do reports and things. I'd like to be able to fundraise and spend a little bit more, but at the same time, I don't want corporations that have a lot of money to be able to drown out whatever might be an opposing view.

Ms. Harinder Malhi: But right now, there's no limit, so they could spend right now as well. Would that not be more fair, to be able to have limits?

Mr. Jeff Hanks: Okay, if that's the case, then I agree with that.

Ms. Harinder Malhi: Okay, thank you. My second question would be that some of the committee's witnesses have suggested that the current proposal to limit spending on third-party-associated pre-writ ads should be removed while maintaining the spending limit on pre-writ partisan ads. We, as political parties, would have a budget. We'd only be allowed to spend so much on partisan ads before the writ was dropped, but third parties wouldn't have any limit. Therefore, they could spend as much money as they want on pre-writ ads, whereas we would be limited in being able to defend ourselves or being able to counter those ads.

Since we'd be subject to spending limits, what are your thoughts on this? Do you not feel that that would be

an uneven playing field, per se, because we would be limited in what we could spend but nobody else would be?

Ms. Shirley Schuurman: I'm sorry. I could only hear part of your—

Ms. Harinder Malhi: Oh, I'm sorry.

Ms. Shirley Schuurman: No, it's just that I could only hear part of it. I'm not answering your question, but part of it is understanding the entity. If the London Health Coalition and all the independent, separate coalitions that the Ontario coalition oversees are to be separate entities, then how does the expenses allowance get divided out? Because the OHC provides a lot of materials. Therefore, we don't have to raise money for them. We just augment those materials and other related expenses.

Then we would have to go through a lot more of a formal thing than we do now. We have no campaign costs totalled up or anything. All of that would have to change, and so be it. But are we one entity or are we all separate entities?

1020

Ms. Harinder Malhi: Either way you're looking at it, whether you are one entity or separate entities, pre-writ you would be able to spend as much as you want, whereas the political party would be limited in what they could spend pre-writ. That's the question. Would that not make it uneven in that sense?

Mr. Jeff Hanks: So you're saying that some groups get to spend as much as they want, but others don't?

Ms. Harinder Malhi: Whereas political parties are limited in what they spend pre-writ.

Ms. Shirley Schuurman: The thing is, too, when you get over a certain amount, you get into auditing expenses—so you want to keep it down. I know I'm not answering your question, from the look of it.

Mr. Jeff Hanks: So you want political parties to be able to have no spending limits?

Ms. Harinder Malhi: What I feel is that it should be even, either way. It shouldn't be an uneven playing field. If one party—whether it be a third party or a political party—doesn't have a limit and one does, that does uneven the playing field. One group could continuously put out advertisements or put out a campaign where the other party can't respond to it because they don't have the money to respond to it—well, they may have the money, but they don't have the allowance to respond to it. That would make it unfair, in my opinion. I was asking what your thoughts are on that.

Mr. Jeff Hanks: Well, it depends who the third party is. If it's us, we have very few resources and very little money compared to, say, a corporate third party. A political party has a bit more resources. But I think it probably is important to limit third-party spending and to level the playing field.

The Vice-Chair (Mr. Lou Rinaldi): Can I just bring the members back? We got spoiled with the last presenter, when we had an hour. With this one, we only have 15

minutes. I don't want to interfere, but we're just way over the time

Ms. Sattler.

Ms. Peggy Sattler: Thank you very much for your presentation.

Given your role in undertaking non-partisan health care issue-based campaigns and your concerns about the impact of this legislation on your ability to do that, do you think that there should be a special designation within the legislation for advocacy organizations like the London Health Coalition or the Ontario Health Coalition, and can you elaborate a bit about that?

Ms. Shirley Schuurman: I would think that would be very helpful, certainly. Non-profit, absolutely—and there are other organizations like us.

Ms. Peggy Sattler: Should the designation distinguish between advocacy organizations that perhaps only operate at the local level versus those that are provincial—the London Health Coalition versus the Ontario Health Coalition—or should there be a single designation for all issue-based advocacy organizations?

Ms. Shirley Schuurman: I wouldn't like to see “versus,” because we're not “versus.”

Ms. Peggy Sattler: I know, but you operate at different levels. Do you think there should be a single designation or—

Ms. Shirley Schuurman: When we conduct a London campaign, at the same time, the issues in the campaign pertain to the whole province. Bed cuts are bed cuts everywhere. Home care problems are home care deficiencies through the whole province. The point is to have London people realize what the issues locally—that these issues face them, as well, and the particular ones that are worse.

Ms. Peggy Sattler: Do you have something to add, Jeff?

Mr. Jeff Hanks: Just that the local coalitions, I think, are hit the hardest. It's hard to get the word out and educate people. If they don't limit non-partisan spending, in a way it helps us. I appreciate your idea to have some sort of special wording around local grassroots organizations that are cash-strapped. Yes, that sounds like a good idea to me.

I'm concerned about locally limiting—silencing—dissent a little bit. Federally, the CRA was used to go after some groups that spoke out. I'm worried that some groups that are speaking out on policy might be silenced through this. That's a concern I have.

Ms. Peggy Sattler: Do you think that the legislation as currently worded might create a barrier to citizens participating in the political process because of this issue around advocacy campaigns?

Mr. Jeff Hanks: I think it's—go ahead.

Ms. Shirley Schuurman: Definitely.

Ms. Peggy Sattler: Okay.

The Vice-Chair (Mr. Lou Rinaldi): That's it? Ms. Vernile, you have one minute.

Ms. Daiene Vernile: Thank you very much for being here today. My comment for you is about third-party

limits. You've heard that we are looking at levelling the playing field by limiting the role of third parties in elections and trying to take steps on limiting the amount that they can spend during elections, but what is not included in it—and I hope that you're aware of this: We're not limiting your ability to mail out to union members, employees or shareholders, or stopping you from making telephone calls or holding round table discussions.

But when it comes to those activities, do you think that there ought to be a limit to the amount that you can spend?

Ms. Shirley Schuurman: I think it would be hard to audit that. I think it would be hard to put a number on a lot of those activities. I don't want a bureaucracy as large as the CRA in Ontario.

Ms. Daiene Vernile: Because I'm sure you're both aware that there are some very large third-party organizations that have a very big budget.

Ms. Shirley Schuurman: Yes.

Ms. Daiene Vernile: They get involved in elections—

Ms. Shirley Schuurman: Mailings are expensive. We don't—yes, mailings are expensive.

Ms. Daiene Vernile: Thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Thanks very much for your presentation.

Yes, Mr. Clark?

Mr. Steve Clark: There are a number of people who have mentioned this issue today, which the last presenter brought forward: holding all-candidates meetings and what's—the Chief Electoral Officer sort of nodded when I was making some of my comments.

I'd like research, if the committee agrees, to do a short report to us about those actions that were addressed in today's presentation and some references yesterday by Natalie from the Ontario Health Coalition about those parent groups and the subsidiary groups—how they would be dealt with under legislation and whether things like all-candidates meetings would be part of Bill 201.

The Vice-Chair (Mr. Lou Rinaldi): You're asking research—

Mr. Steve Clark: Yes, I'm asking research to get a little information for the committee.

Mr. Jeff Parker: So you're asking us to look into the implications of Bill 201 on organizations and their subsidiaries?

Mr. Steve Clark: Yes.

Mr. Jeff Parker: Okay—

Mr. Steve Clark: Because this past group talked about all-candidates meetings and the fact that the parent group would create some materials. Local chambers of commerce and other groups have all-candidates meetings all the time, and I'd just like the committee to understand how this bill would address items like all-candidates meetings.

Mr. Jeff Parker: What we're able to get for you is that we can look at what the bill says and what the current legislation says. What we can't give you is a legal interpretation of what we feel the implications would be.

Mr. Steve Clark: No, I just want a notation about what the current legislation says.

Mr. Jeff Parker: Okay.

Mr. Steve Clark: Thank you.

ONTARIO LIBERTARIAN PARTY

The Vice-Chair (Mr. Lou Rinaldi): All right. We've got one presenter before we break for lunch, and it's Mr. Matt Radford, candidate for Oxford county for the Ontario Libertarian Party. Mr. Radford, welcome.

Again, I want to remind the committee that Mr. Radford has 10 minutes for his presentation and then 15 minutes amongst all parties for some questions and answers. Mr. Radford, if you could identify yourself for Hansard as you begin. Welcome.

Mr. Matt Radford: Thank you very much. My name is Matt Radford, and I am the candidate for the Ontario Libertarian Party for Oxford county. I'm from Woodstock, Ontario.

I thank you for the opportunity to present my views on Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007. Comprehensive fundraising reform is essential to renewing our democracy and to restoring trust in the integrity of government decision-making.

As a libertarian, my opinion on this matter may be quite different than that of any other speaker you have heard to date. Let me begin by explaining what I believe is the primary function of government, to better your understanding of my position on Bill 201.

Government's only legitimate role is to protect individual rights to life, liberty and property, and not abrogate these rights. It is right to have laws against actions that intrude on the rights and freedoms of other individuals, but actions that do not intrude on the rights of others should not be restricted.

We must remember what government is: institutionalized force. The power and politics of government make it arrogant, inefficient, corrupt and dangerous. Because of this inherent nature of government, government programs almost always fail to do what they were supposed to, and expanding government power to do what you think it should ensure that future politicians will use it in ways you think they shouldn't.

1030

David Boaz best describes libertarianism in an article written for the Cato Institute, entitled "Key Concepts of Libertarianism":

"Individualism. Libertarians see the individual as the basic unit of social analysis. Only individuals make choices and are responsible for their actions. Libertarian thought emphasizes the dignity of each individual, which entails both rights and responsibility. The progressive extension of dignity to more people—to women, to people of different religions and different races—is one of the great libertarian triumphs of the Western world.

"Individual Rights. Because individuals are moral agents, they have a right to be secure in their life, liberty

and property. These rights are not granted by government or by society; they are inherent in the nature of human beings. It is intuitively right that individuals enjoy the security of such rights; the burden of explanation should lie with those who would take rights away....

"The Rule of Law. Libertarianism is not libertinism or hedonism. It is not a claim that 'people can do anything they want to, and nobody else can say anything.' Rather, libertarianism proposes a society of liberty under law, in which individuals are free to pursue their own lives so long as they respect the equal rights of others. The rule of law means that individuals are governed by generally applicable and spontaneously developed legal rules, not by arbitrary commands; and that those rules should protect the freedom of individuals to pursue happiness in their own ways, not aim at any particular result or outcome."

Now, when it comes to electoral reform and Bill 201, there is one question that needs to be asked: Why do we need this legislation? I believe that it is in part due to the history of corruption in our political parties in obtaining funds from influential people and their businesses. But is it reasonable for government to prevent politicians from corrupting the fundraising process? Shouldn't politicians just not be corrupt?

The people of Ontario want to know which politicians are apt to abuse the system we already have in place. We want to see which politicians will attempt to buy and sell votes through \$5,000-per-plate fundraising dinners. We want to see which individuals are attempting to buy favouritism and which parties are accepting. We want to see the rot at the core of the corrupt parties.

How will the people know which politicians are corrupt if government prevents the parties from showing their true colours? Do you not trust that the people of Ontario can make educated decisions of their own accord? Do you not trust that voters will hold corrupt politicians accountable at the polls? Do you imply that the people are incapable of forming an educated opinion, thus implying the need for the nanny state government to legislate in order to cover up the corrupt practices of political parties?

I also don't believe that taxpayers should be funding the campaigns of political parties through pay-per-vote subsidies. By paying themselves through a pay-per-vote subsidy, political parties are sending a message once again to the people of Ontario that they can't be trusted with their own money and that government is best spending it on their behalf.

Based on the 2014 election results, a pay-per-vote subsidy would cost the taxpayers roughly \$11 million per year, or \$44 million over four years. That is equal to one year's worth of IBI treatment for 511 autistic children. This is a major insult to the people of Ontario.

In reality, if a political party was honest, transparent and hard-working, they would actually need to spend less to win the trust, as well as the votes, of the people of Ontario. The trust of the people shouldn't need to be bought through advertisements smearing other parties or

through expensive \$5,000-per-plate fundraising dinners. The amount of money a party needs to spend should send a message to the people of Ontario as to just how self-serving and corrupt their party is.

Ontario is adopting practices that have been working in other jurisdictions to inform its approach to open government. Governments in Canada and about 60 other countries are implementing open government initiatives to improve transparency, effectiveness and accountability.

I believe that Ontario can do more when it comes to election financing, transparency and accountability. Recently, the Ontario Liberals have been investigated for corrupt practices by the OPP, but having the OPP investigate the government with the majority of power is like asking an employee to investigate their own boss. If you find them guilty, you're fired. If you find them not guilty, you're accused of favouritism. Also, since the Ontario Provincial Police Association has a history of contributing to political campaigns, it is a conflict of interest to have them investigate the very parties to whom they contribute. This is an example of why we need to end corporate and union donations to political parties. Since 2013, the top 30 contributors to the Liberals, PCs and NDP donated almost \$5 million.

Corporations and public sector unions can buy government favours because government has favours to sell. From 2001 to 2009, the Ontario government paid out almost \$25 billion in grants and subsidies to businesses. In these nine years, government granted double the amount of subsidies to businesses than they did from 1991 to 2000 combined.

If we truly want to eliminate corporate favouritism, we need to put stipulations on exactly who qualifies for grants and subsidies. Not only do we need to end corporate and union donations to political parties, we need to end corporate welfare.

If the current political parties in power claim to support transparent and accountable government, I suggest the following:

- (1) No pay-per-vote subsidies. The people of Ontario should only do donations to parties voluntarily.
- (2) End corporate and union donations to political parties. Businesses shouldn't be able to buy favouritism.
- (3) End corporate welfare. Governments should not be subsidizing large corporations with taxpayer money.
- (4) Allow candidates and political parties to fundraise how they deem ethically fit.
- (5) Parties should regularly and publicly disclose their assets, income and expenditures to an independent agency or the office of the Ontario Ombudsman.
- (6) Any charges against a member of provincial Parliament, a candidacy association or a political party should be turned over to the RCMP for investigation.
- (7) Institute recall legislation so that the people of Ontario can hold those guilty of corrupt practices accountable.

In conclusion, I understand that under the current government *modus operandi*, the belief is that in order to

solve problems, we need more government. Instead, I implore the parties in power to have faith in the people that we can make the choices we believe are in our own best interests, that we can freely support any party we so desire within our means and that we can institute the proper legislation that allows the people to hold our representatives accountable for their actions.

I thank you all for allowing me to speak today. I hope you take my words into consideration when making your final decision. Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Mr. Radford. Now we go to questions. First, Ms. Vernile.

Ms. Daiene Vernile: Thank you very much and welcome to our hearings, Matt. You've made some very interesting comments here today. I'm not quite certain I understand what you mean by "we're trying to bring in more government," because having served now just for two years—so I'm fairly new to this—I don't really see any evidence of our trying to bring in more government, but that's a curious remark that you've made.

I do agree with you that it's important for us to ban corporate and union donations. Tell me why you think it's important to do this, because we're very much committed to this.

Mr. Matt Radford: Well, like I outlined in my presentation, when you have corporate and union donations, that's the ability for businesses to buy favouritism from government, because government has something to sell. If a union or a corporation gives government money, government can show that corporation or union favouritism later on through subsidies or grants or through corporate welfare.

Ms. Daiene Vernile: As we are crafting this bill, Bill 201, part of the process is we want to hear from people like you and Ontarians right across this great province. The fact that we've taken this committee on the road—we're asking questions, we're inviting everyone and anyone to come forward and to share their views. It's a very open and transparent process. What are your thoughts on that?

Mr. Matt Radford: I think it's fantastic. I'm happy to be here. This is my first time doing anything like this.

Ms. Daiene Vernile: You're doing quite well.

Mr. Matt Radford: Thank you very much. No, it's very good that the people of Ontario have a voice, and as long as our voice is heard and is applied to the final process, I think it's a great idea that you guys are doing this, and—

Ms. Daiene Vernile: When you—sorry.

Mr. Matt Radford: Go ahead.

Ms. Daiene Vernile: When you eliminate the corporate and union donations, however—with some provinces that have done this, the way that they're trying to help out any candidate who wants to run is by offering this per-vote allowance. But you said you're against this.

Mr. Matt Radford: Exactly.

Ms. Daiene Vernile: We're looking at it as it's being done in other provinces just to help candidates in order to stage elections. So if you're against corporate and union

donations and you're against the per-vote allowance, how does someone like you run a campaign?

Mr. Matt Radford: Individual donations. It's not expensive to run a campaign when you're honest. I talk to people in my community. To be honest with you all, this is my first time running. I'm going to be running in 2018. I never ran before, so my opinion on this might be a little—I don't want to say “ignorant,” but “un-educated.”

1040

From speaking with other party members—we have tools available through social media so that we can reach out to the public without having to spend millions and billions of dollars on smear ads and campaigns against other parties. There are other ways, cheaper ways, to get your message out there without having to take large donations from individuals and corporations and through \$5,000-a-plate fundraising dinners.

Ms. Daiene Vernile: We do want to get on the record, though, that the Premier now has ended that practice, and she's not waiting for the results of Bill 201 to pass. That is no longer happening. She and ministers are no longer holding these kinds of fundraisers, for your information.

Mr. Matt Radford: Now, just to touch on that, I would also like to ask a question. Are there loopholes within this bill where corporations and unions can still send volunteers out, for free, to contribute to political parties? Is this a loophole that should be closed within this piece of legislation?

Ms. Daiene Vernile: That's part of this process, as we're getting feedback from people like you. We need your comments as we craft this bill. I want to thank you very much for answering my questions.

Mr. Matt Radford: You're very welcome.

The Vice-Chair (Mr. Lou Rinaldi): Mr. McNaughton?

Mr. Monte McNaughton: Thank you very much, Matt, for your presentation. I thought it was very well done. Thank you.

I wanted to go back to something I raised when Nelson Wiseman did his first presentation this morning, and it's regarding a public inquiry. Our leader of the opposition party, Patrick Brown, has called for a public inquiry into the donations to the government. The one story that symbolizes why I think we need a public inquiry is that over the last few years, seven wind companies donated \$255,000 to the governing Liberal Party. We saw recently a round of announcements for renewable contracts, and those seven companies were awarded contracts. The three companies that didn't donate to the Ontario Liberals weren't given, or weren't awarded, a contract.

We saw yesterday in the *Globe and Mail* where cabinet ministers' staff members were moonlighting, raising money for the Ontario Liberal Party.

I just wondered what your position is, and would you support a public inquiry?

Mr. Matt Radford: Of course. I always support a public inquiry. This morning, I was reading an article

about the Financial Accountability Officer and how he's having trouble doing his job because certain documents aren't being disclosed. Again, it's a major insult to taxpayers because, as far as I'm concerned, government has no money but our money. So when government restricts the Financial Accountability Officer, who is representing the public, from doing his job—we need public inquiries. We need more insight and accountability at all levels.

Mr. Monte McNaughton: To deviate a little from this bill specifically—but it does go to this public inquiry call that we've been asking for, and you raised it, about corporate grants to companies—the opposition has been on record, since the Auditor General's report, calling for the government to release all the grants that companies have received under the Liberals. So far, we've been stonewalled. They do not want to make the information available to taxpayers. We think that's wrong.

What's your opinion on transparency and accountability when it comes to taxpayer money being delivered to private corporations?

Mr. Matt Radford: I own a small business, and I've applied for government grants, and I've been turned down for government grants. When I see taxpayer money going to subsidize businesses that make billions of dollars or even hundreds of millions of dollars a year, again it's an insult, as a small business owner. I don't feel that these large businesses need taxpayer money, whereas small businesses do.

We do need more transparency and I think we need more accountability on exactly who qualifies for government grants and government subsidies.

Mr. Monte McNaughton: Okay. Thank you, Mr. Chair.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Sattler?

Ms. Peggy Sattler: Thank you very much for your presentation. Probably the fundamental purpose of this legislation is to protect the integrity of the democratic process and ensure that citizens are able to participate equally and fully, without the undue influence of corporations and other big money.

As part of the democratic process, small parties like yours are vitally important. This is not just legislation for the four main parties in the province. Do you feel that the legislation balances the interests of small parties like yours with the other main parties? Other than the recommendations that you've included—

Mr. Matt Radford: That depends. If we're talking about pay-per-vote subsidies, considering our party only had 0.8% of the vote in the last election, from what I know the pay-per-vote subsidy is only going to parties who get 2% or more. So yes, it is a little bit unbalanced. We are a registered political party, as are the Trillium Party, the Freedom Party of Ontario and the New Reform Party, and we do represent Ontarians, even though it's a small minority—a growing minority, mind you, I believe it is a little unbalanced and unfair. We don't agree with the pay-per-vote subsidy as a party. If it is going to be implemented, we're not going to deny it. If you go to

prison and you're wrongfully convicted, you don't deny food from your jailer. We have no choice but to accept the pay-per-vote subsidy, but right now as it stands at that 2% level, we don't even qualify for it.

So if you restrict the amount that individuals can donate and you don't allow smaller parties to accept the pay-per-vote subsidy, how are we supposed to get known and have equal status with the status quo parties?

Ms. Peggy Sattler: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Anderson.

Mr. Granville Anderson: Thank you, Mr. Radford, for coming. I found your presentation quite enlightening.

Mr. Matt Radford: Could you put your mike down a little bit for me, please?

Mr. Granville Anderson: Sorry.

I know my colleagues across the aisle are calling for a public inquiry. Do you think a minister would have the same influence as a party leader who gets money, like over \$2 million, to run for leadership of a political party? Do you think that there would be some influence involved in that as well?

Mr. Matt Radford: As long as there's money involved, there's always influence. With a public inquiry, it should be done by a third-party, non-partisan public entity. I don't believe that one opposition party should be hiring a public entity to do an inquiry into another political party.

I really don't know the answer to that. It's a tough call. There's so much that's unbalanced. Personally, I would like to see political parties working together for the betterment of Ontario, instead of working against each other to further their own positions in Ontario. That's what I would like to see. Especially with a public inquiry, it needs to be balanced. It needs to be neutral and non-partisan.

Mr. Granville Anderson: I know you alluded to the fact that you collect money from individuals for the advancement of your candidacy as a member of your party. As you know, we have strict limits in Ontario: Over \$100, you have to report it within 10 business days. When you collect monies, do you set a limit? Do you have a self-imposed limit on individual—

Mr. Matt Radford: As a party—you would have to talk to the treasurer about that. Again, I'm new to the candidate process. As for our limits, I don't know what our limits are. The limit in Ontario is \$7,000 right now—\$7,795 or something. That's a good limit. I don't think it should be lowered. I think that individuals should be allowed to donate exactly what is within their means, but businesses should not be able to. Businesses don't vote; individuals vote. That's who we represent, the voters.

Mr. Granville Anderson: As well, I believe in the integrity of members, such as myself. I don't believe I would be influenced by getting money from a union or from a business organization. Sometimes it's a bit disingenuous to believe that because you get money from a union or a corporation, you are corrupt somehow. I believe you're alluding to that fact. I could be wrong. Do you want to elaborate on that?

Mr. Matt Radford: It depends on what you do with that money. The fact that you accept that money shows that there could be the potential for favouritism and possibly corporate welfare down the road. That's where the public inquiries come in. This is where the public needs to know exactly where the money is going. Like I said, the best situation for voters—because individuals vote—is to not allow businesses to donate to political parties, because businesses don't vote.

Mr. Granville Anderson: Fair enough. Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Okay. Mr. Radford, thanks very much for appearing before us today and expressing your views. Again, thank you so much.

Mr. Matt Radford: Thank you very much for having me.

The Vice-Chair (Mr. Lou Rinaldi): This session of the hearings is finished. We'll be back at 1:30.

The committee recessed from 1050 to 1330.

The Vice-Chair (Mr. Lou Rinaldi): We'll call the meeting back to order. It's now 1:30.

HYDRO ONE NOT FOR SALE, LONDON CHAPTER

The Vice-Chair (Mr. Lou Rinaldi): The first delegation is Hydro One Not For Sale, London chapter, Ange Thompson, mobilizer. Ange, welcome. Take centre row where the light is on. The routine is, you have 10 minutes to present, then we have 15 minutes for members to ask questions or to get clarification. As you begin, if you could say your name for Hansard, it would be much appreciated. The floor is yours.

Ms. Ange Thompson: Great. Thank you. Good afternoon, everyone. My name is Ange Thompson and it is my distinct pleasure to present to you today on behalf of Hydro One Not For Sale, London chapter.

Hydro One Not For Sale is a non-partisan citizens' group. Our members come from all walks of life. We have members who support every major political party and some who don't have a political bone in their body. Despite our diversity, we collaborate as community members to raise awareness about the impacts of selling Hydro One and we encourage the government to stop the sale.

Hydro One Not For Sale has active chapters across the province. Our chapters have a lot of support from community leaders. In fact, over 200 municipal and rural councils have passed resolutions calling on the government to reconsider their decision and stop the sale of Hydro One.

The London chapter developed as a result of a very successful town hall meeting held last October. Community members could see the obvious detriment to privatizing Ontario's largest asset and wanted to do more to educate and mobilize their community. Our chapters meet weekly throughout the fall and winter, and now, through the summertime, we meet once a month.

We are present at various community events and festivals with our Hydro One Not For Sale booth. At

these events we share information and collect signatures on our petition. We have been featured in media several times for some of our more notable events, including rallies, our memorial service for Sir Adam Beck and our Duck Duck Goose event at Springbank Park.

Throughout the city, you may notice hundreds of “Keep Hydro Public” lawn signs our supporters display on their lawns. Needless to say, I am very proud of the work we do, so I wanted to come before you today to talk about how some of the changes you propose in Bill 201 could impact the community members who are a part of the London chapter of Hydro One Not For Sale.

We work very hard for our cause, and I’m afraid some of this new language will prohibit the work we do. I am particularly concerned with the new definition of “public advertising.” The new definition includes any advertising “that takes a position on an issue with which a registered party or candidate is associated....” I’m sure you can understand why a group like Hydro One Not For Sale would not be in favour of this language. It explicitly prohibits our members from opposing the sale of Hydro One. In addition to silencing our group, there is no reciprocal language restricting the government from advertising their point of view.

This new language is restricting citizens from advocating for the betterment of their own communities during and six months leading up to an election period while empowering the government to use public money to broadcast their perspective on any issue. In my opinion, this is an attack on democracy and I urge you to reconsider this language. I would support leaving the previous definition of “political advertising” intact.

The second concern I have with the proposed changes to Bill 201 is the addition of language restricting third-party advertisers from spending more than \$100,000 for political advertising during any election period when, as mentioned before, the government is allowed to use public dollars with no limitations for the purpose of advertising their viewpoint on any given issue. This directly affects Hydro One Not For Sale. I’ll provide an example: If each local chapter of Hydro One Not For Sale were to put an ad in the newspaper describing the impact of hydro privatization in their community, this would immediately reach the budget limitations. Meanwhile, the government would be authorized to spend unlimited public dollars on advertising for their perceived benefits of this privatization.

It is not equitable to create an environment where citizens are restricted and the government is empowered. It’s the government’s duty to represent the best interests of its citizens, and this language promotes the exact opposite of that. I’m in favour of spending limitations but only when the limitations are fair to everyone.

I know that our group is not popular among the Liberal Party because we’re opposing a decision that you made, but implementing restrictive language like the amendments proposed to Bill 201 shouldn’t be done to silence one group, like us, from speaking out. This bill will also affect groups that support decisions that you

make and also groups that oppose decisions that other parties make that you might also oppose.

As government, do you want to make legislation that makes it harder for community members to get involved with issues that affect their lives? I sincerely hope not. What I’ve seen from the people who participate in the London chapter of Hydro One Not For Sale is a great enthusiasm and passion for their community and for their province. I want to see more of that and not less, and I think you should too. Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you very much. We have about 15 minutes in our rotation. Mr. Yurek, you’re first.

Mr. Jeff Yurek: Thanks, Ange, for coming out. It’s good to see you. Thank you for the hard work that you’ve put forth, speaking for, I think, Ontarians at large, basically, because the sale of Hydro One wasn’t even a topic of discussion during the last campaign when the government was elected. Unfortunately, groups like yourselves have had to form and speak out for Ontarians. So thank you very much for doing so.

Just on another issue: I’m hoping that you don’t have to form the “Don’t Ban Natural Gas” group after the next election. However, I won’t go there today.

With regard to advertising, you raised a good issue: the fact of third-party advertising. Last election, our party—you couldn’t turn on a radio or a TV in the London area without hearing how evil Tim Hudak was, as opposed to actually dealing with the issues at large. So I really do like the idea of making non-partisan advertising part of the goal.

You made mention that this government likes to do ads congratulating itself, and they recently just changed the rules over the last year, which enable them more freedom with how much they can congratulate themselves. And you’re saying that six months prior they’re able to do that, whereas third-party advertising would be banned. Would you feel that maybe the government should also have the same power to be banned for six months prior to the election, as opposed to ensuring that you’re allowed to spend X amount of dollars equal to what the government is spending?

Ms. Ange Thompson: My personal opinion on that would be fairness for everyone. I think if the government is allowed to do something, then citizens advocating for their community should be able to do similar. So yes, I think fairness is important to me in those situations.

Mr. Jeff Yurek: So an amendment would be to somehow work it in that the government would be banned? You would be fine with that sort of move on this bill?

Ms. Ange Thompson: I would be.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Malhi.

Ms. Harinder Malhi: Thank you for your presentation. I want to start by saying that our party is committed to—there’s nothing about dislike here—working with all of our stakeholders to do our consultations on Bill 201 and hearing what the public is saying.

Going from there, I wanted to talk a little bit more about disclosures of donations. Political parties have to disclose their sources of funding in real time, with constituency associations reporting annually. Meanwhile, third parties, at the moment, don't have to disclose any of where they're spending their money or how they're spending it.

Are disclosure requirements for third parties year-round something your organization would support?

Ms. Ange Thompson: Can you repeat that last bit?

Ms. Harinder Malhi: Just like we have to disclose where we're getting our donations, who we're getting them from, would it be something, when we have third parties, organizations like yourselves or anybody else who's running a campaign, or running some sort of program where they're advertising pre-writ—do you feel that those organizations should also have to report and disclose where they're funding their campaigns from?

Ms. Ange Thompson: I don't see how that would be a problem. A lot of these campaigns, like Hydro One Not for Sale, the health coalition and various campaigns, are kind of grassroots, and it's a lot of community members coming together, so there aren't buckets full of money pouring into these. Disclosing where we're getting donations wouldn't really be a problem because we're not overflowing with cash. Like I mentioned before, fairness for all: If we're expected to disclose where we're getting our donations from, then I think the government should be expected to the same way.

Ms. Harinder Malhi: And they are.

Ms. Ange Thompson: Yes. And I think another one of my major concerns is lowering the cap for what's allowed for personal donations. When you have big stakeholders donating large sums of money, in my mind that can easily persuade a government to do or not do something. If more people contributed smaller amounts, I think that that would be more beneficial, and then I don't think there would be so much of a problem with the disclosures of where the money is coming from. It wouldn't be as big of an issue.

1340

Ms. Harinder Malhi: My second question is around limits. I know you talked about us having limits, and third parties. We were talking a little bit more about how much you're able to spend on a campaign and how much we're able to spend. Do you think it's fair that third parties wouldn't have a limit as to what they're able to spend on their campaign and that political parties would have a limit—pre-writ, so anything before the election campaign. If we had limits as to what we could spend annually, would you think that would be the right way to go? Would it be fair?

Ms. Ange Thompson: I think the proposed limit of \$100,000 is too low, considering that the government can use unlimited funds. That part of the language should just be eliminated altogether, in my opinion.

Ms. Harinder Malhi: So you think that there should be no limit for third parties. Do you think there should be a limit for political parties as to what they can spend pre-writ on advertising?

Ms. Ange Thompson: I think it should be fair. If a political party has a limitation then, obviously, the third party would have a limitation as well. I think it should be more equal.

Ms. Harinder Malhi: Do you think it should be the same limitation? Equal?

Ms. Ange Thompson: I think that would be fair.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Sattler.

Ms. Peggy Sattler: Thank you very much, Ange, for your presentation and also for your advocacy through Hydro One Not For Sale.

I wanted to ask you about the impact of the reporting requirements that are set out in the legislation, in terms of requiring an auditor if you meet a certain cost threshold for the campaign materials that you produce. Those administrative requirements, in terms of accurate accounting and auditing and all of that—do you think that they would also have a chilling effect on the ability of organizations like yours to participate in issue-based advocacy campaigns?

Ms. Ange Thompson: Sorry, I'm not sure I know what you're asking. If people have to be held accountable or—

Ms. Peggy Sattler: The legislation proposes that an auditor is required for organizations that spend above a certain threshold. Right now, the threshold is about \$5,000. At that point, you will require an auditor and there are more stringent reporting requirements. Do you think that would have an impact on your organization?

Ms. Ange Thompson: I don't think so, but I don't know a whole lot about the finances of it. I haven't really put too much consideration into that. But just off the top of my head, I think accountability is a good thing.

Ms. Peggy Sattler: What about the possibility of a special designation for issue-based advocacy organizations like the health coalition you mentioned or Hydro One Not For Sale? Do you think that should be considered, rather than lumping all third parties together under the same section of the act? Right now, corporate interests and large, very organized third-party entities are considered the same as a very local, grassroots advocacy organization.

Ms. Ange Thompson: I don't think they're the same thing at all. In terms of grassroots organizations, they're usually members of the community, looking out for the betterment of their community and citizens. Usually, corporations are looking for profit in their bottom line. So there's a complete difference between the two groups, in my opinion.

Ms. Peggy Sattler: So you think a special designation for an issue-based advocacy organization versus a corporate third party or other kind of—

Ms. Ange Thompson: Yes. I don't think we can be lumped into the same category as them.

Ms. Peggy Sattler: You described the new definition of "political advertising" that's included in this legislation as an attack on democracy. Can you elaborate a little bit more on that?

Ms. Ange Thompson: Yes. Let me just pull out the bill so that I have the language right in front of me.

Ms. Peggy Sattler: The bill says that political advertising now includes “advertising that takes a position on an issue with which a registered party or candidate is associated.”

Ms. Ange Thompson: Yes. I have a huge problem with that, especially coming from Hydro One Not For Sale. We’re a non-partisan group. We have members from the community who are Conservative, Green Party, NDP—and Liberal, even. To say that we can’t take a position on an issue that might oppose the government—everything is political. So what are you supposed to do? Just zip your mouth for six months before an election and not talk about anything that affects your community, like hospitals and hydro and all these very important issues? That’s why I think it’s an attack on democracy, because it’s a way of silencing communities and silencing citizens from speaking out, and not even speaking out against something but advocating for something in a positive way.

Ms. Peggy Sattler: Okay. Thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you for your presentation. We’ve had significant discussion about the fact that Bill 201 does not explicitly prevent unions or corporations from sending paid employees to work on campaigns and being compensated by their employer. Have you ever been involved in a campaign where you were compensated by your employer for working on the campaign?

Ms. Ange Thompson: Do you mean any campaign in general or a political campaign?

Ms. Ann Hoggarth: A political campaign.

Ms. Ange Thompson: Not on a political campaign, no.

Ms. Ann Hoggarth: Okay. What are your thoughts on the issue of paid labour?

Ms. Ange Thompson: I think time is money. I think that if somebody is doing work, it’s valuable, in my opinion.

I think there would have to be a way of identifying what that work is worth. For instance, at Community Living Elgin, I’m paid \$23 an hour. If my employer releases me to go work for a political party and my job is to canvass, we’ll say, is that work worth \$23 an hour or is it worth \$15 or \$17?

Ms. Ann Hoggarth: Perhaps you misunderstand. If your employer sent you to work on a political campaign and you still got paid, do you think that’s right?

Ms. Ange Thompson: I think it’s fine, yes. If your employer—

Ms. Ann Hoggarth: So your employer could pay you, and you’d go and work on a political campaign.

Ms. Ange Thompson: I think that’s fine. As long as it’s open and transparent and everyone knows what’s going on, I don’t see any problem with it.

Ms. Ann Hoggarth: So you’re okay with paid labour. How could this be addressed in the proposed legislation?

Ms. Ange Thompson: What do you mean? I don’t know what you’re asking me.

Ms. Ann Hoggarth: Okay. How do you think this could be enforced, since a lot of the time, you really don’t know who has come from where?

Ms. Ange Thompson: I’m not a government employee. I don’t know how you guys keep track of this stuff. I’m sure there’s a way to record where these people are working.

Ms. Ann Hoggarth: No, it’s any employee; it’s not necessarily a government employee. It’s a corporation or union employee who leaves their corporation or union job. Their employer still pays them, but they’re actually canvassing or phoning or working for a political party. You’re okay with that?

Ms. Ange Thompson: Yes. I know that it happens, and I’m okay with it. I don’t know how you would record that. I think what you were asking me was how we would keep track of that and record it. I don’t know how you would record that. I’m sure there’s a way. It’s not impossible.

Ms. Ann Hoggarth: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Clark, you’ve got less than two minutes.

Mr. Steve Clark: Thanks, Chair. I’ve just got two questions, so I should be okay.

I’ll just pick up from what Ms. Hoggarth was asking. To some of the presenters, we’ve asked questions about openness and transparency. One of the ways that has been suggested for openness and transparency is that when someone gives a donation to a political party, Elections Ontario would provide their name. As it is now, you can go onto my association and see the names of people who have donated to me.

Some have asked, in the guise of openness and transparency, to include the person’s address. Some have also suggested that you put the person’s employer, which is what I think Ms. Hoggarth might have been alluding to.

Do you support Elections Ontario recording documentation that would provide the person’s name, their address and their employer?

Ms. Ange Thompson: To be honest, I’m not sure how I feel about that. I would have to give it more consideration. I don’t know how I feel about that.

Like I mentioned earlier, if there were more people contributing smaller amounts of money, that would be more valuable. It would create more inclusion, because not everyone can afford to donate thousands of dollars. I feel like if average citizens could contribute a small amount of money that they could afford, then I don’t think this would be such a problem. If my employer is booking me off work to work on a political campaign, say for three months, then that’s a significant amount of money.

1350

Mr. Steve Clark: Sure. Absolutely.

Ms. Ange Thompson: I can see why people might be concerned about that. But I haven’t given your question—

Mr. Steve Clark: Okay. I’ve just got one more question. Mr. Parker has done a tremendous job with this

research document. I look in the research document—and Keep Hydro Public appeared before us. They're listed in the column as being one of the groups that feel that Bill 201 should explicitly prohibit fundraisers which grant access to government officials in exchange for a contribution from stakeholders. Do you agree with that concept, that this bill should include stopping cash for access?

Ms. Ange Thompson: Yes. I don't think cash for access is a positive thing. Like I said earlier, the average citizen can't afford a \$500 ticket or a \$1,000 ticket—or in some cases, a \$7,000 ticket—to speak to these politicians.

I recently read an article—I think it was yesterday—about how some ministers were reported allegedly saying, “We don't have time to meet in the office, but if you buy a ticket to come to this event, then we can discuss the issue.”

Mr. Steve Clark: That's terrible, just awful.

Ms. Ange Thompson: I don't believe in that. I don't believe that's fair—

Interjection.

Ms. Ange Thompson: Pardon? It's in the news. You can read it yourself if you want. I can show you the article.

Anyway, I don't think that that creates fairness for everybody.

Mr. Steve Clark: Thanks, Ange.

The Vice-Chair (Mr. Lou Rinaldi): Thanks very much. Thanks for being here to present.

Ms. Ange Thompson: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): We certainly appreciate your time.

OPSEU LOCAL 109, FANSHAWE COLLEGE

The Vice-Chair (Mr. Lou Rinaldi): The next presenter is Mr. Ron Kelly, second vice-president of OPSEU Local 109, Fanshawe College.

You have 10 minutes, Mr. Kelly, to present, and then we have 15 minutes for questions from members. If you could please state your name once you get started, and the floor is yours.

Mr. Ron Kelly: My name is Ron Kelly. Hi, and good day, everyone. I am second vice-president of OPSEU Local 109 at Fanshawe College in London. We represent college support workers at our college.

This is my first time at this type of presentation, so I'd like to start off by saying thank you for the invitation to speak to you about Bill 201 and the changes the government has proposed in election financing and political communication.

This bill proposes a third-party advertising limit of \$100,000 per organization during a general election, and \$600,000 in the six months prior to the election being called, as well as a maximum of \$4,000 to any electoral district and no more than \$24,000 in any electoral district for the purpose of third-party political advertising in that district during the six-month period prior to the general

election. This creates a huge concern for us and, I'm sure, all Ontario voters, because it limits the information that concerned groups are able to share with all voters.

I am sure you would agree that you would want voters to have as much information as possible so that they can make an informed decision at the ballots. Any changes to our electoral system should be about improving access to information on issues that affect all of us. We believe that it is part of our democracy to get as much information as possible, so that we do not guess about an issue but dig into the information to get the answers.

That can only happen with advertised information, and unfortunately, it is expensive. As an example, I have read that the Globe and Mail can charge over \$40,000 for a single, full-page ad in the front section of the paper. A 30-second commercial on a major TV network can reach \$10,000. I know it can easily cost \$4,000 for a single radio ad here in London.

Bill 201 goes too far and changes the rules to include any advertising that takes a position on an issue with which a registered party or candidate is associated. Basically, Bill 201 is saying that most voters will only get one side of the story, and if they hear any information at all, it will probably be hearsay.

Essentially, this captures virtually every issue of public interest and dramatically limits the ability of the individuals and organizations to raise issues of public concern in the six months before an election and during an election campaign.

Under the proposed new rules, campaigns designed to raise awareness on issues would be severely limited. For example, if we were bargaining during the six months before an election, and we needed to take out ads explaining what we were looking for in an agreement with the colleges, the proposed bill is so broad that even this type of advertising would be restricted. I believe that when you take away the information and try to silence the awareness of the citizens, then you are taking away our democratic right to be informed. The proposed \$100,000 cap on advertising during an election campaign would make meaningful and effective advertising all but impossible.

I read an article from Smokey Thomas, the leader of the OPSEU union, that made the point very clear: “Democratic organizations should not be barred from communicating about politics any more than news organizations should be. Both are vital to the functioning of political life in this province. They should be encouraged, not repressed.”

One final quote that I found, that I came across, that was really important to me—and I put a lot of thought into whether I wanted to tell you this, but I thought it was quite important—is Harry Truman. His quote was, “Once a government is committed to the principle of silencing the opposition, it has only one way to go, and that is down the path of increasingly repressive measures, until it becomes a source of terror to all its citizens and creates a country where everyone lives in fear.” I thought that was pretty important for us all to consider.

Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Mr. Kelly, for the presentation.

Ms. Wong.

Ms. Soo Wong: Thank you, Mr. Kelly. You did a pretty good job on your presentation for your first time.

I was an OPSEU member myself when I was a nursing professor at Humber College, so I want that to be on record.

I want to specifically deal with the proposed legislation, Bill 201, as it relates to donations by employees, and how we address that issue. I just wanted to give you some preamble pieces, and I will have a question for you, Mr. Kelly.

In this proposed legislation—

The Vice-Chair (Mr. Lou Rinaldi): Pull the mike closer to you. Thank you.

Ms. Soo Wong: Oh, sorry. Okay.

As you probably heard, Bill 201 does not explicitly prevent unions or corporations from sending paid employees to work on a campaign. I'd like to hear from you, and your opinion. Have you or your colleagues at Fanshawe College been involved in a campaign where you were compensated by your union for working in a campaign?

Mr. Ron Kelly: I personally have not, so I can't tell you about that specifically. I can say that we have to be careful when we consider the factors on both sides, because we understand that the government is able to send people out, paid, to give their point of view. I understand how we have to balance it, and how you have to be accountable. It should be recognized, but whether it should be stopped or not, I'm not sure. Obviously, it's important to me to come here to do this for the first time. One of the points that I think about often is trying to be fair on both sides. If the government is allowed to spend an exorbitant amount of money, regardless of how it is diversified between employees and whatever else, to get their point across, don't we want Ontario's citizens to have the same amount of information from the opposite point of view? That's important, and that's what I feel: It's to make sure that that information is there.

Sometimes we can only volunteer so much. If you're on a campaign that has to take an extended amount of time, you can't just take off work and say, "This is the most important thing to me; I don't need money," because we do have to survive.

Ms. Soo Wong: Because time is limited, Mr. Kelly, I have a couple more questions. Am I hearing correctly, just for clarification, that you believe that if the proposed legislation is to limit this kind of employee pay-to-access, you want it to be across the board so that it will be a level playing field?

1400

Mr. Ron Kelly: Yes, I think it's important to have a level playing field. That's my personal opinion.

Ms. Soo Wong: Not the union-OPSEU executive.

Mr. Ron Kelly: Right.

Ms. Soo Wong: With regard to third-party advocacy work, I'd like to hear from you. We are trying to be a

leader on this whole issue of election reform and finance. In terms of Bill 201, as we propose it, what kind of important step should we be considering—right now, there is no limit in terms of third-party advertisements during an election—when it comes to what is not included in terms of capping other political activities such as mailings to union members, company employees making telephone calls on behalf of a union or day-to-day political activities and advocacy work. Do you think, in terms of this legislation, that there should be some limits on spending on these kinds of activities so that it will be a level playing field?

Mr. Ron Kelly: I've thought a lot about the limits, and I'm really against limiting people. One of my co-workers made the point, "Well, what about big business that can throw tons of money at something and really beat you with it?" One of the important things that I thought of and that I mentioned to them is, "When the Liberals and the Conservatives were battling for our federal government, the Conservatives kept telling us how young Trudeau was, and it got to the point where we didn't want to hear it anymore." You can keep spending money; you can keep sending it to us. It really doesn't mean anything anymore. Send us something that has issues. So does it bother me that the Conservatives spent hundreds of millions of dollars to tell us that he was young? No. It didn't work. So what difference does it make? Let them spend the money. In that, we're going to get information, and that's what we have to have. I think it's very, very important for this committee to think about—you do not want to limit the people from getting the information. That's what's really important to me.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Sattler.

Ms. Peggy Sattler: Thank you very much for your presentation and for participating in this process here today.

I am interested in your thoughts about this question of advertising and the imbalance between third parties, which will be restricted under this legislation, and the government, which is completely—no limitations whatsoever placed on how much the government can spend and, in fact, what it can say in its advertising. We know that the legislation was changed recently, which has opened up more room for the government to engage in more partisan-type advertising.

There are two schools of thought. There's the \$100,000 cap that is proposed, and you've pointed out how, because of the cost of advertising, this would limit the ability of third parties to engage in advertising campaigns. That cap could be increased. But are you saying that the cap should be removed entirely and that it's okay that the government has unlimited ability to advertise as much as it wants, and that the solution is to remove the cap on the cost of third-party advertising?

Mr. Ron Kelly: I don't believe there should be a cap, simply because, regardless of if we had a limit—if we said half a million dollars for the political party and half a million dollars for third-party groups, that is only the paid portion. Every time that we have a political leader at

a rally or at an event or anything else, they have an immense amount of advertising, and it's all free. They're getting out that information, many times, without having to pay for it. So they're getting their point of view, whereas, as we were talking about, Ontario Hydro is not getting that same amount of free advertising. There are ways that the government is going to get advertising dollars regardless of what cap we put on them because of different things that happen just because the media is going to be on them, watching them and hearing their point of view.

Ms. Peggy Sattler: Okay. The other question I had was around the cash-for-access fundraisers. Do you believe that there should be some kind of reporting requirements for people who attend those fundraisers? What's your view on that issue?

Mr. Ron Kelly: My personal opinion is that I don't think there's anything wrong with telling and giving information. I understand that in small groups, grassroots groups, lots of times it could be people dropping \$20 into a jar. Sometimes it's hard to say, "Where did that \$100 come from? Where did that \$500 come from?"

Ms. Peggy Sattler: The cash-for-access issue is around the \$1,000, \$10,000—

Mr. Ron Kelly: Yes, and I don't think that it should be a problem for anybody to say where the money came from. But there also shouldn't be a penalty for getting that money. If I had an issue-based group and something was terribly concerning to our area—maybe it was clean water. It was clean water in north London, and we were really concerned and we were able to get a \$5,000 donation from 3M group to say, "Yes, we understand. We've been in London for years. We want to help you with this." There shouldn't be a penalty against 3M, but yes, they should report that "Hey, that's where we got it."

The Vice-Chair (Mr. Lou Rinaldi): Mr. Clark.

Mr. Steve Clark: Thanks for your presentation. I want to go back to a couple of things that my colleagues have asked you just to try to get some clarity. One of the deputants we had before the committee on June 7 was Smokey Thomas from OPSEU. He and a number of our presenters, since we were here, spoke specifically about amending Bill 201 to remove the exemption of paid volunteers and to require campaigns to count this as a contribution. Would you support an amendment to the bill?

Mr. Ron Kelly: I know Smokey does a lot more research into these areas than I ever have time for, so I do support him because I know he's done the research. I know he's not trying to gain something from it. He does want to help the government to run better. So I do support Smokey in his opinion on those facts.

I did read through his article. I do have notes on it so I do understand that, if I remember right—and I can take a look at my notes—I think he did want that to happen. I did read the conflicting sides on that, so I would agree with Smokey Thomas on that.

Mr. Steve Clark: Thank you very much. In terms of the advertising, some of the deputants that I've spoken

to—I've talked about the government. Ms. Sattler spoke about the amendments that were changed in regard to government advertising. The Auditor General came forward and expressed some pretty significant concern that the government was stripping her of her oversight, that they were changing the rules so that they could be in a position where they could partisan advertise where previously the Auditor General would be able to stop that. Some feel that we should, as part of this bill, give the Auditor General back that control.

In addition, others feel that we should look at other jurisdictions. I use the example of Manitoba, which just had an election. The government was not allowed to advertise three months prior to the election other than public safety ads, tender ads—if a government agency had a tender, they could provide the tender ad—and employment ads, if an agency or a ministry was looking for employees.

Do you support us strengthening this bill by giving the Auditor General back that oversight that was removed? And would you support a ban on government advertising for a period of time, whether it would be three or six months prior to the election, other than those public safety, public health, tender and employment ads?

1410

Mr. Ron Kelly: As far as the Auditor General, he has a very important position, and him having the power is important to his position. I understand that the government has to come to him for the money. I think part of it is that if he can't have that power—if you're not able to give it back to him, then at least he needs to be able to fully report on what's happening, not just as it's already gone out the door, but as it's being requested so that the people are aware of what's happening, that this has been asked for, this large sum of money has been asked for. I think it's important that, yes, he does have the power to do his job—

Mr. Steve Clark: Her.

Mr. Ron Kelly: Go ahead?

Mr. Steve Clark: I said it's "her."

Mr. Ron Kelly: Oh, sorry.

Mr. Steve Clark: It's okay.

Mr. Ron Kelly: Yes. To go to your other point—sorry, you'll have to repeat the second point now. I'm thinking about the Auditor General.

Mr. Steve Clark: One is to limit the government—

Mr. Ron Kelly: Oh, the three months before. Yes, okay.

Mr. Steve Clark: Or six months; some people think six.

Mr. Ron Kelly: When it comes to repressing information, it really goes against our democratic views. I think it's really important that the government has to get the word out on what they're going to the campaign for. I would be really leery of putting that restriction on them, to the point that when they got elected in, they were able to say, "Well, we couldn't tell you what we were going to do." I wouldn't want it to go backwards to hurt us in the information field, which it could. They could say, "Well,

we wanted to tell you this is what we were going to do, but we couldn't tell you because we were told that three months before or six months before we couldn't do anything." So yes, I would be very cautious on that.

Mr. Steve Clark: My only comment back to you is I think there needs to be a difference from a campaign ad versus a government ad.

Mr. Ron Kelly: Yes, I know. And I do understand what you're saying, but I think it's important that people have the information going to the polls.

The Vice-Chair (Mr. Lou Rinaldi): Thank you. Ms. Vernile, you have about a minute and a half or so.

Ms. Daiene Vernile: Okay. Well, we'll go quickly.

Thank you very much, Ron, for coming before this committee and for sharing your very thoughtful views with us today. You did make a comment about private fundraisers. I think that we need to clarify and put it on the record that the Premier isn't waiting for this proposed Bill 201 to come into action. She's already taken action herself. She and all ministers are no longer holding those kinds of private fundraisers, just so you know that.

There are some witnesses, like yourself, who have come before this committee and they've suggested that the current limit to third-party spending should be removed. This is during the pre-writ period. That means that lobby groups, corporations and unions could spend an endless amount of money promoting a vested interest. And let's face it, they do have vested interests that they try to promote. However, political parties would be banned from doing the same thing in the pre-writ period. Would this not create an uneven playing field? It would be very unfair where the lobby groups—the third parties—could do this, whereas political parties could not.

Mr. Ron Kelly: Oh, it would definitely be unfair. But, as we've talked about, the government does have an amazing way of getting out their information, not always at a cost to them. Yes, it needs to be equal, but it needs to be equal and open. I think that, yes, getting out the word to the people to make sure that they can make an informed decision is so important to me, that informed decision, not just a jumping at, "Yes, this is the one. This is the popular way I want to go."

I think it's important that the government has the same access as the third-party groups. But many times it's not recognized how much access they really have, and they have a lot.

The Vice-Chair (Mr. Lou Rinaldi): Thank you. Unfortunately, we went over the minute and a half. Thanks, Mr. Kelly, for being here today. It's much appreciated.

Mr. Ron Kelly: Thank you.

LONDON AND DISTRICT LABOUR COUNCIL

The Vice-Chair (Mr. Lou Rinaldi): Next we have, from the London and District Labour Council, Patti Dalton. Welcome, Ms. Dalton. The routine is, you have

up to 10 minutes for your presentation, and then members have up to 15 minutes to ask questions. Before you begin, if you could state your name for Hansard so that it's on the record, and the floor is yours.

Ms. Patti Dalton: I'm Patti Dalton, president of the London and District Labour Council. I'm also a secondary school teacher and proud OSSTF member.

I was actually thinking, as I was coming in to do this presentation, about the presentation I did last July on the Changing Workplaces Review. As you may know, the interim report has just been released, so this is a very hectic day, but we're really happy that the report has been released.

From the discussion, I can already tell you that I'll be addressing some of the issues that you've been talking about. I found the part of the discussion that I heard to be really helpful. Hopefully, I can bring some new insights.

I'm speaking on behalf of the London and District Labour Council, which represents approximately 20,000 public sector and private sector union members, and I'm very pleased to be able to provide input into these public hearings on Bill 201.

While I support the opportunity for more equal ground for the democratic process, there are some clear omissions in the bill that I want to address. I'll also, of course, be providing some specific feedback and recommendations for changes to the act.

In preparing for this presentation, I have to say, I was compelled to review the academic research on the public relations state and what is called the politics of the permanent campaign—in other words, continuous advertising and promotion by governments, well documented in the research, which in my view typifies current political practices and provides sitting governments with significant and unfair advantages. I'll go over specifics on this later in my presentation.

You've already been discussing the Auditor General's 2015 annual report, and I think it's very pertinent to this discussion.

An overall observation is that while Bill 201 has some positive changes, in the main, without changes to current practices regarding government advertising, the political playing field will continue to be very unequal.

With regard to proposed changes to third-party advertising, it's interesting. I guess I wasn't clear on the definition of "third party." I was thinking that it was community and advocacy groups, and I certainly think that as it stands, they would be curtailed in their ability to call a government to account and to get valid democratic critique communicated broadly.

Additionally, there must be strict parameters around government interactions with lobbyists, and a prohibition on fees-for-access fundraisers, which, despite being one of the factors leading to these hearings, is not currently addressed at all in Bill 201.

I'll begin with the third-party advertising. In my view, these changes would diminish the democratic process in that the new rules would effectively bar organizations from engaging in public advocacy campaigns on any

issue that could be remotely related to a registered party or candidate during an election period.

In contrast to comparable federal legislation, there is a much broader and, I think, problematic definition of third-party advertising in Bill 201, including “advertising that takes a position on an issue with which a registered party or candidate is associated.” This could definitely limit the ability to advertise by advocacy groups such as the Ontario Health Coalition, just as one example.

Political parties are not the only groups that should have access to contributing to public discourse during and previous to election campaigns. In a healthy democracy, there must be space for a diversity of voices, and an opportunity for substantive expression of various viewpoints. So the stipulation of limiting third-party advertising for six months leading into an election, I think, is unreasonable and unfair.

We therefore recommend that the definition of “political advertising” in Bill 201 be amended to allow for issue-based advertising, and that the six-month limit—which, again, is not in the federal legislation—be removed.

While Bill 201 limits spending by political parties in the pre-writ period, there is no limit—and this was the discussion already—to government spending, which is a significant omission. The fact that Bill 201 does not put any restrictions on government advertising is highly problematic. Allowing government advertising prior to and during an election period obviously benefits the party that currently forms government, in that it privileges and gives media airtime to that government. The expenditure of public money on government advertising is clearly an unfair advantage and should be revisited.

1420

In fact, after reading the chapter on the review of government advertising in the Auditor General’s report for the fiscal year ending March 31, 2015, I think that perhaps a separate and comprehensive review is needed due to the matters raised. The report outlines a number of concerns regarding changes that the current Ontario government made to the Government Advertising Act. The report states, “The Ontario government made significant changes to the Government Advertising Act ... this year, and in the process it significantly weakened the Auditor General’s ability to ensure that no public money is spent on advertising that is partisan.”

This report notes that it reviewed advertisements worth \$20.85 million in reviewable ads and then \$9.16 million in unreviewable digital ads, for an overall total of over \$30 million in advertising expenditures. The details in this report and the means by which the Ontario government, according to the Auditor General, has curtailed their ability to ensure that these advertisements are not partisan and, in the words of the report, that it “requires our office to ‘rubber-stamp’ all advertising submitted to us, including some items this year that we believe would have been considered partisan under the original act”—that’s an end to that quote—certainly are cause for further study.

The report outlines a case in point—this is a concrete example—of the government securing unfair advantages through advertising when the office approved radio and digital ads for the proposed Ontario Retirement Pension Plan. Then the Ontario Liberal Party launched television advertisements in which the Premier spoke about the need for Ontarians to have a decent pension. Again, this is a direct quote from the report:

“Under the original act, we could have expressed concerns about the overlap between the publicly funded advertisement and the political-party commercials, and the fact that the taxpayer-funded items effectively reinforced the partisan messaging of the Ontario Liberal Party. We would also have had the authority to withdraw our approval for the Ministry of Finance item, or even disallow it entirely in the first place on grounds that it claimed the ORPP was ‘here’ when, in fact, it is at this point planned to begin operating in 2017.”

That’s a quote. Of course, you know that now the Liberal government has opted for the expansion of the CPP, which is something that we were very happy about in the labour movement since we’ve been lobbying on that for many years.

There is certainly much more in the report to emphasize the ways in which the Ontario government has weakened the Auditor General’s ability to assess and prevent partisan advertisements. In my view, this presents serious questions and renders the proposed changes to third-party expenditures all the more troubling.

When we consider also that the Ontario government spent over \$500,000 in advertisements for the 2014 budget, it’s clear that these types of expenditures using public money are highly problematic and, as I stated, require close scrutiny. Therefore, at the very least, Bill 201 needs to include specific limitations on government spending for advertising and self-interested promotion.

In terms of financial donations and the lower caps, we note that the current contribution limit is available primarily to wealthy Ontarians and that the new contribution cap is still quite high and, therefore, still gives advantage to more affluent contributors and parties with the greater number of wealthy donors.

Also, by-elections should not be used as a fundraising tool for the sitting government. The limitations on party donations during general elections and by-elections are a positive step in establishing a more level playing field, but the candidate contribution limit to their own campaigns is still quite high and again gives advantage to wealthy candidates. High personal contribution limits have serious implications for those who may not be able to afford to participate in electoral politics.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Dalton, you have about a minute left.

Ms. Patti Dalton: Thank you.

We recommend a lower candidate cap.

Regarding the prohibiting of corporate and union contributions to campaigns: In the main, these are in keeping with election financing rules at the federal level and in several provinces and, in our view, are reasonable.

However, there also needs to be formal oversight regarding corporate practices of topping up employees who donate to a political party. Parties should be required to report the name of the employer of all contributors in order to provide greater transparency and to prevent corporations from attempting to override the contribution limits by channelling money to parties via their employees and family members.

We also recommend that there be stronger parameters around professional services rendered to a campaign, such as polling, legal advice, research and advertising.

In conclusion, I reiterate that there must be an end to fee-for-access fundraisers, which the Ontario Liberal Party has used in by-elections to do major fundraising for the central party—in the February 2015 Sudbury by-election, this resulted in over \$2 million added to the party coffers while the spending cap for the by-election was \$83,000; clearly this must change—as well as a comprehensive review of the entire process and parameters around government advertising, which was so extensively criticized and documented in the 2015 Auditor General's report.

Finally, a vibrant and inclusive democracy ensures that all citizens have fair access to the political process and that there is due diligence by governments to allow for broad input, discussion and debate on critical matters, and to strive to ensure accountability and transparency.

I thank all of you for this opportunity to provide input through this public hearing and to participate on behalf of the London and District Labour Council.

The Vice-Chair (Mr. Lou Rinaldi): Thank you so much for your presentation.

We'll go to MPP Anderson.

Ms. Patti Dalton: I will provide a hard copy of my presentation. Also, I can provide an e-copy as well, if that's—

The Vice-Chair (Mr. Lou Rinaldi): Perfect. Thank you so much.

Mr. Granville Anderson: Thank you, Ms. Dalton, for your presentation. I guess it was very well done.

The last point you raised about the Sudbury by-election, about the use of by-elections to raise funds and how much one particular party raised: I am not sure if you're aware that all three parties use that to raise additional funds. That's documented. I don't know the figures others raised but we might have been better at raising money. All three parties use that as a legal way for raising additional funds. You were saying it should be banned for all parties; no parties should be allowed to use that to raise additional funds, correct?

Ms. Patti Dalton: There are varying abilities for the parties to raise that money. I would suggest, for example, that the New Democratic Party does not have corporations contributing to their coffers. Also, we do want to see both union and corporate limits on contributions, right? And in-kind contributions to campaigns as well—that's in keeping with the federal legislation.

Mr. Granville Anderson: Without belabouring the point, that's not correct. Corporations do contribute to all three parties, for the record.

Ms. Patti Dalton: Not to the same degree, with due respect.

Mr. Granville Anderson: Okay. This week we have had significant discussions on Bill 201. It's not explicit that it prevents unions and corporations from donating to campaigns. Your organization has participated previously in donations, I believe, to political parties, correct?

Ms. Patti Dalton: Sorry, I'm not sure what you're asking.

Mr. Granville Anderson: As a third party, you have participated in campaigns by running ads etc.?

Ms. Patti Dalton: I personally, you mean—and unions?

Mr. Granville Anderson: Well, your organization.

Ms. Patti Dalton: There are voluntary hours that are put into campaigns, and that would be stopped by Bill 201. There would be no more in-kind. In other words, unions book off members, right? So in Bill 201—and it's in line with the federal legislation as well—there would be no more of that in-kind contribution.

Mr. Granville Anderson: Okay. The volunteerism portion of it: Sometimes you volunteer, but you actually get paid by a union or the organization where you are an employee. Shouldn't that be considered a campaign contribution, in a sense, indirectly?

Ms. Patti Dalton: Yes.

1430

Mr. Granville Anderson: How would you propose that we—you wouldn't support that. How do you propose they would—

Ms. Patti Dalton: Again, in keeping with the federal legislation, unions would no longer be able to pay for their members to work on a campaign. It would have to be on a voluntary basis.

I've worked on a lot of election campaigns and have never been booked off by my union or paid to do so. I was very happy to volunteer on those campaigns.

Mr. Granville Anderson: So you do agree that's a practice that should cease?

Ms. Patti Dalton: Yes.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Clark.

Mr. Steve Clark: Thanks, Patti, for your presentation. I appreciated hearing it.

Just listening to Mr. Anderson about corporate donations—he probably has a subscription to the Toronto Star, but I might get him a subscription to the Globe and Mail. Maybe that might help him learn about corporate donations. Anyway, I appreciate your comments.

There is a loophole in this legislation regarding volunteers. It is silent on that aspect. So while the federal electoral officer was here yesterday—there is a need for that loophole to be closed in this legislation in regard to paid employees of either a corporation or a lobbyist or a union or an association being used at a campaign office. That's something that needs to be addressed, and I'm glad you would support that loophole being closed.

I also appreciate, Ms. Dalton, your comments about the Auditor General's 2015 report, about the fact that the changes the government made created, in your words,

“an unequal playing field.” Also, you used the word “problematic” when you talked about government advertising. You heard some of the previous deputants. So you would support putting those controls back into the Auditor General’s responsibilities, so that it would go back to the pre-2015 responsibilities of the Auditor General? You would support that, moving forward, as a result of this committee?

Ms. Patti Dalton: I would definitely support it. I read the entire chapter, and I was quite shocked at the ability of the Ontario government to—as I said, in the academic research it’s called the public relations state and it’s the politics of the permanent campaign. It’s always going to give major, unfair advantages to current political parties.

There were also other aspects in the report, which I couldn’t put into my entire presentation, that are also problematic and curtail the ability of the Auditor General’s office to do their job, such as a shorter time for them to look at prospective ads. There were some occasions when they didn’t get a chance to get input on ads, just as a few examples. I was very shocked by the report.

I’m not sure if just going back to the previous way that the Auditor General’s office examined advertisements and decided whether they were too partisan or not—I’m even thinking maybe stronger provisions, and that’s why I was saying perhaps a separate review. I would be most happy if, at the very least, the Auditor General’s office resumed the powers that they previously had because, as they stated and as I quoted, I think there were severe problems with the government advertising around the ORPP and then running concurrently with the Ontario Liberal Party’s ads about the same issue.

Mr. Steve Clark: The other thing I’d like to ask you about—and we haven’t really touched on it in the last two days—is the section in the bill that talks about grouping contributions. There’s some concern that a corporation or an association or a union could group contributions from their members individually to circumvent some of the legislation. Would you have any comment on that? Do you think that would be something that should be allowed?

Ms. Patti Dalton: I’m not sure I understand exactly what you mean. I haven’t seen this in any of the research I’ve done.

Mr. Steve Clark: There’s some concern by people that even though we ban corporate and union donations, an individual could make a contribution and they would be grouped at an employer or at a union or at an association, to circumvent these rules. If that was the case and this legislation allowed that, would you think that we should plug that loophole as well?

Ms. Patti Dalton: Well, certainly. I’m not sure I still understand the loophole per se. For example, we know that corporations have been channelling funds to political parties through their employees and even their family members and the family members of their employees, right? I definitely think that that practice should stop. What you’re talking about brings that to mind, so

definitely that loophole should not be in Bill 201 or the process.

Mr. Steve Clark: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you.

Ms. Sattler?

Ms. Peggy Sattler: Thank you very much for appearing before us today—

Ms. Patti Dalton: My pleasure.

Ms. Peggy Sattler: —and also for your advocacy on behalf of the labour movement here in London.

You began your presentation by talking about the problematic nature of the change to the definition of third-party advertising. It now states that the advertising includes any advertising “that takes a position on an issue with which a registered party or candidate is associated,” and you made a recommendation to change that definition. Do you think that it should return to the previous definition, which was advertising “with the purpose of promoting or opposing any registered party or the election of a registered candidate”?

Ms. Patti Dalton: This is specifically with regard to third-party advertising?

Ms. Peggy Sattler: Third-party, yes. It used to be advertising that promotes or opposes a party or a candidate, and now it is advertising that takes a position on an issue with which a party might be associated.

Ms. Patti Dalton: Right. Yes, I would return to the previous definition, although there might even be a better way of handling it. But definitely, I can tell you that if I’m prevented or if community groups are prevented from speaking about our concerns with the privatization of Hydro, for example, or the lack of funding for public health care, that’s extremely problematic. Who is going to be judging? Who would be the one to state, “Well, this issue is connected with this candidate or this party”?

Ms. Peggy Sattler: Yes, every issue is political.

Ms. Patti Dalton: It’s really quite a terrible and way-too-broad definition. I think for myself, as the labour council president and a grassroots activist, I would be very nervous about speaking out on those issues if that remains in Bill 201. And that’s not in the federal legislation either.

Ms. Peggy Sattler: Right. I also appreciated your very insightful comments on government advertising and the fact that the changes that have been recently introduced give the government complete latitude to promote their initiatives in any way they like.

The bill currently proposes this \$100,000 ceiling on third-party advertising. Do you think that there should be a ceiling imposed on government advertising? I think that in response to MPP Clark’s question, you mentioned possibly reintroducing that oversight role of the Auditor General. But should the government still have complete control of the resources to advertise as much as it likes, even if the auditor is involved?

Ms. Patti Dalton: I think your point is extremely well taken, and yes, I think there should be limits on that advertising, which, after all, is with taxpayers’ and citizens’ money, right? I’m not sure what the limit should

be. But what I pointed out in terms of that figure of over \$30 million of government advertising speaks volumes about how much more of an advantage any sitting government has to get out their messages and to be self-interested in promotion.

Ms. Peggy Sattler: In the very initial comments, you talked about government interactions with lobbyists, and the lack of any kind of restrictions within this legislation governing those interactions. Do you have some specific recommendations about the role of lobbyists and how that should be addressed in this legislation?

1440

Ms. Patti Dalton: Yes. In my research, I was primarily using the Ontario Federation of Labour, and that was not a very detailed piece in their submission. Again, I think that may need further review in terms of—and I know that one of you spoke to the fact that those fee-for-access fundraisers are not happening, as I understand it, anymore. I mean, honestly, there is no one I know who could afford \$6,000 a plate. And then I think there definitely needs to be some kind of oversight about those interactions with political parties and lobbyists, right? I hope I answered your question.

The Vice-Chair (Mr. Lou Rinaldi): Thank you. Ms. Malhi, you have about a minute and a half.

Ms. Harinder Malhi: I wanted to talk to you a little bit about spending caps. Bill 201 seeks to implement a spending limit on third-party election advertising of \$100,000 and \$600,000 in the six months preceding a scheduled election. Bill 201 also imposes pre-writ limits on political party advertising in addition to the existing election limits. Are the limits on the amounts of ads that corporations, unions and other organizations can purchase to influence an election something that you would support?

Ms. Patti Dalton: Sorry, can you just repeat the last part of your question?

Ms. Harinder Malhi: Are limits on the advertising that third parties can do leading up to an election—would you support something like that?

Ms. Patti Dalton: Yes. I didn't specifically state that in my presentation, but again, we're talking about an unequal situation in which some third parties, depending on who they are, can afford so much more. But like I said, the focus on an issue connection is really, really problematic and would cause a lot of grassroots organizations to not be able to participate in the democratic process and have their say in public.

Ms. Harinder Malhi: When you look at these two limits, the \$100,000 a year or the \$600,000 in the six months leading up to the election, do you feel that these amounts are too high or too low? What are your thoughts?

Ms. Patti Dalton: I'm not in advertising. I know that television ads are extremely expensive. I think I would probably go towards limiting the amount that third parties can spend.

The Vice-Chair (Mr. Lou Rinaldi): Thank you. Unfortunately, we're out of time. Thank you so much, Ms. Dalton, for being here and your presentation.

Ms. Patti Dalton: Thank you. Good questions. Food for thought.

FREEDOM PARTY OF ONTARIO

The Vice-Chair (Mr. Lou Rinaldi): Next we have Mr. Robert Metz, president, founder and chief financial officer of the Freedom Party of Ontario. Mr. Metz, welcome. You've been here, I notice, for a little bit, so you know what the routine is. You have 10 minutes to present and we follow up with 15 minutes of questions. If you could state your name at the outset of your presentation—

Mr. Robert Metz: I do understand that everyone has got a copy of my presentation.

The Vice-Chair (Mr. Lou Rinaldi): Yes.

Mr. Robert Metz: I just wanted to let you know that I won't be reading that verbatim, so don't panic.

My name is Robert Metz. I'm president and chief financial officer of the officially registered Freedom Party of Ontario and have been so since 1984. So I know all about filling out tax returns and official receipts and things of that nature. Can I get started?

The Vice-Chair (Mr. Lou Rinaldi): Yes, go ahead.

Mr. Robert Metz: Mr. Chairman, members of the committee, thank you for this opportunity to officially address Bill 201, which, of course, directly affects the Freedom Party of Ontario, as an officially registered political party, but also affects the voters and taxpayers in the province, I think, in a dangerous and negative way that few seem to be aware of.

I found it particularly noteworthy that the eight-point summary at the end of Bill 201 happened to have isolated the eight most objectionable and highly undemocratic provisions of Bill 201, at least as we see them. The Freedom Party strongly objects to all eight proposals, even though most of them would not directly affect us. However, in this limited verbal portion of our submission, I'll only concern myself with two that affect both the Freedom Party and the voters and taxpayers of Ontario. Those ones are the quarterly allowances that have been proposed for the parties in the Legislature and, of course, contribution limits for individuals.

The very notion of political parties awarding themselves quarterly allowances I find offensive in the extreme. As I understand it, among the purported reasons for granting political parties a per-vote subsidy is to make up for the shortfall suffered as a result of eliminating corporate and union contributions and imposing lower limits on contributions by individuals. This would suggest an implicit, if not explicit, acknowledgement that the consequences of Bill 201 would cause harm to Ontario's officially registered parties, and this in fact is so, whether acknowledged or not.

However, not all parties would get the per-vote subsidy to replace the revenues they lose as a result of the new limits because of the voter thresholds a party must reach to qualify for a taxpayer subsidy. I find calling that subsidy an "allowance" rather adds insult to injury.

Assuming that these subsidies will be adopted, the Freedom Party officially proposes that at the very least any party not getting a subsidy should not be subject to the new lower individual contribution limits. To do otherwise is patently unjust and glaringly tilts the electoral tables in the favour of the parties receiving subsidies against those who do not.

Moreover, what does it otherwise say about the three Goliaths who would restrict the 100% voluntary financing of the smaller parties while awarding themselves taxpayer-paid subsidies?

However, in addressing the essential democratic principle involved, it must be stated that no political party—and that includes the Freedom Party—should ever receive taxpayer funding, either as a reimbursement of their expenses as they have done for years, nor as a reward for getting votes. Under Bill 201, even our votes themselves now come at a price, and it is not merely the monetary amount self-awarded to the victors at the expense of the taxpayer. It comes in the form of corrupting the democratic process itself, in the form of using forcibly raised taxpayer dollars given to political parties who, in turn, would use those dollars as political parties to solicit, influence, persuade and even bribe voters.

The freedom to associate through the political party process entitles no party to taxpayer-paid privileges, allowances or subsidies. This is unthinkable if any semblance of free political discourse is to be preserved. In effect, under Bill 201, both voters and non-voters become conscripted members and supporters of the parties receiving a subsidy in direct proportion to the percentage that those parties get of the vote. This is simply politically, philosophically, economically and morally unacceptable to us.

As to reduce contributions for individuals: Forget about reducing them; eliminate them entirely. In a free democracy, there should be no limits on how much any individual or groups may raise for their long-term plans and eventual success at the polls.

Elections are already regulated, controlled and limited with regard to spending so that the income or assets of any participant in that process is irrelevant. What is relevant is what the candidate or the party is offering voters. No matter how much a party or a candidate may raise, one can never be allowed to go beyond the pre-established spending limits of the election, and those apply to political parties, not to third parties. Concerns about party revenues, I think, are a little petty and irrelevant in the extreme.

Consider that the proposed greatly reduced limits on individual contributions restricts the higher portion of an individual's current contribution limit that does not in any way qualify currently for any tax credits or refunds. It's completely voluntary. Unlike a government subsidy, allowance or, even to a milder extent, an individual's tax refund, no other taxpayer or citizen is affected in any fiscal way by these voluntary donations which affect nothing in the public arena.

Limiting private spending on political activity is a direct attack on democracy itself, on freedom of association, on freedom of thought and expression and on freedom of political advocacy and action. It is an attack on the personal because politics is personal, which is a different field of activity from elections. Individuals who voluntarily contribute their own dollars to help create an electoral choice for voters should never be hindered or hampered in that regard; they should be thought of as the heroes and champions of democracy. But Bill 201 insults them.

1450

I would remind this committee that the concept of democracy and free elections means being free from government intervention and interference in the exercise of those fundamental democratic rights—particularly, free from the parties and candidates for whom they are expected to vote.

This brings me to a most frightening observation, and that is that Bill 201 effectively ends the past era of having rules just for the purpose of holding elections limited to that. It begins a new era of government rules, regulations and restrictions for personal and political activity. It is Orwellian in the extreme.

Bill 201 broadens the jurisdiction of the government. Instead of being limited to establishing objective rules for holding elections, it will now regulate the field of ideas, the expression of those ideas in the political marketplace, and politics itself, which is an entirely separate activity from electoral activity. Voting is a public undertaking, but, like religion, politics is personal.

As if to place a timely exclamation point on that reality, Bill 201 explicitly specifies that subsection 37.5(5) of the act be amended by striking out “third party election advertising” and substituting “third party political advertising.” This is a theme that's carried out throughout the entire bill. One can only imagine the ensuing debate that will arise about what constitutes “political” or not. I find this beyond chilling. The government is overstepping its boundaries and is now proposing to more directly regulate political debate itself, outside of the electoral process, under the pretense that it is merely regulating funding that unduly influences the legislators.

There is an assumed corruption hidden behind efforts geared towards political financing reform—I've watched this for 30 years—whether or not such corruption exists. With each supposed reform, the public gets taken for another expensive ride, such as Bill 201's proposal that they now have to be forced to finance political parties, without even being asked to join them—nor do taxpayers get a vote within those parties that they have been forced to subsidize. They pay the dues but receive no party benefits or privileges.

The problem of corruption that this committee and Bill 201 are ostensibly attempting to address—perceived corruption, perhaps—is one of a lack of character and principles guiding those sitting in the Legislature. Expecting the prohibition of voluntary donations to private political parties, including those not even sitting

in the Legislature, is no solution but does provide more evidence of the democratic corruption in the thinking of those who make these proposals.

In conclusion, it is not political parties that we elect to the Legislature; we elect individuals, who may or may not be a member of a particular political party. I notice that individual candidates are left out of the discussion. Party affiliation is a personal affair of a given individual. Party affiliation is a natural and proper convention that makes it possible for given majorities of common ideas and political philosophies—

The Vice-Chair (Mr. Lou Rinaldi): Mr. Metz, you have about a minute left.

Mr. Robert Metz: Yes—which are all personal matters, to act in unison and so democratically carry their agenda forward. However, taxpayers should never be obligated to pay for someone else's personal political preferences and associations.

Bill 201 changes all of this. It transforms the current parties in the Legislature into permanent official taxpayer-funded bureaucracies, cutting them off from the very people they're constituted to represent. There can be no just claims of representation and party support when dues are forced.

Should Bill 201 become law, then, for the sake of clear transparency, we must change the name of Elections Ontario to Politics Ontario.

Should Bill 201 become law, the Freedom Party will have yet another compelling issue to bring to the attention of the voters in 2018.

Thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Mr. Metz. Now we'll go to some questions. First, Ms. Hoggarth.

Ms. Ann Hoggarth: Good afternoon, Mr. Metz. Thank you for your presentation.

The object of this bill is that we work with all parties, stakeholders, experts and everyday Ontarians to transform the political system by reducing the influence of money in politics. Our legislation seeks to ensure that more diverse voices are heard in the lead-up to elections and during elections by placing limits on how much parties and wealthy third parties can spend on advertising. This proposed legislation is just a starting point and we look forward to working collaboratively with all Ontarians, experts, stakeholders and political parties to strengthen the proposal.

I know that there are some things you definitely—there wasn't much you had to say positively about this—

Mr. Robert Metz: Well, I have a question for you.

Ms. Ann Hoggarth: —but I'm going to ask you some questions. Give your answers as if that were going to happen, okay?

For instance, Bill 201 seeks to implement a donation limit of \$1,550 to a candidate, and a maximum of \$3,100 to all of a party's candidates. The current proposal sets the donation limit to independent candidates, which is what you just brought up, at \$1,500.

Should the proposed limit, if it happens, for independent candidates match those of the candidates of a party: the donation limit of \$1,550 per candidate, with a maximum of \$3,100 to all independent candidates?

Mr. Robert Metz: I cannot answer such a question, because it violates all of my principles and everything I was ever raised to believe in. There should be no limits on people's contributions to any group. There should be no limits on spending on third parties. I'm not afraid of them.

There seems to be an assumption here that this idea of influence of money—that money can influence power. This is ridiculous. I have witnessed personally that the party that spent the most money lost the election. I have witnessed personally that the party that spent money on certain ads drove supporters away from them.

It's not the money that influences people; it's the message. It's what your party represents. It's what you represent to the people. Whether it costs money or you can do it for free—with the Internet, we have a tremendous opportunity to get our message out to millions of people without any cost.

The only thing at stake here is advertising in a public arena by third parties, which means radio, television and newspapers. These things should never be limited, particularly since they're the most expensive ways of advertising—and the least effective, I must say, for the dollar, because we could run a \$5,000 ad in, say, the London Free Press and get zero response and then spend 50 bucks on Facebook and get a thousand times the response.

Money does not buy votes. That's the assumption of this entire hearing. It should be dropped. We should be getting rid of all of these issues. Quite frankly, what I've seen over the years as a CFO is that this whole thing—all the passing of money around, and all the tax credits—is a waste of time, and of money, I could add.

It hides the truth of things from people. All of the things that people have been saying here about paying third parties to do other things—that's because they have to get around the rules that are already there. If you create more rules, they will do more things that will get them around more rules, and the whole system just becomes more and more corrupt with every rule. Rules are corruption. What you need is a free and open system where people know who represents what, who's on whose side, and that's really all that the voter is looking for.

Ms. Ann Hoggarth: Okay. You have already stated that you don't believe in the per-vote allowance.

Mr. Robert Metz: Absolutely not. It's not an allowance. It's a subsidy on the taxpayer, and the persons who are paying it aren't the people who vote. If you wanted to give a per-vote allowance to someone, then you've got to charge that voter—the specific voter who votes for party A, B or C—the money. Then you will see that the truth of the situation is that you are indeed placing a cost on a person's vote. Most people don't vote. Everybody has to live with the results of political consequences.

In our party, for example, we have a lot of members who do not have a lot of money. They don't even qualify for the tax credits. They come to me all the time, wanting me to solicit money from people who have more money, because then we can pool our money to a common resource. We still play by the same rules. We still have to go through the same limits on the spending end.

But in between elections, when there is no election going on, why there's any regulation in this regard, I don't understand. I have no problem with the government deciding what tax credits could be. They could get rid of them, as far as I'm concerned. They're not a help; they're a hindrance. Of course, political parties do not benefit from the tax credit directly. That's the contributor who might or might not benefit.

As far as I can see, I think this whole thing is a wasted exercise merely to conceal what is going on in the government today, and to make it look good for the taxpayers and voters, to make them think that something is being done when, really, it's going in the opposite direction.

Ms. Ann Hoggarth: Thank you for your opinion.

1500

The Vice-Chair (Mr. Lou Rinaldi): Mr. Clark.

Mr. Steve Clark: Thanks, Mr. Metz, for your presentation. Thank you very much for the handout regarding your party. I've just got a couple of questions. I just want to reiterate—I know you addressed Ms. Hoggarth's question—that your party's position is you feel that personal contribution limits should be eliminated. So it doesn't matter who you are—

Mr. Robert Metz: It's not to do with tax credits. You can limit the tax credit wherever you want, but the actual dollar amounts should never be limited.

Mr. Steve Clark: So it doesn't matter whether you're a corporation, a union or an association; you have no limits. That's what your party's position is?

Mr. Robert Metz: To us as a political party, you mean, or to them as third parties?

Mr. Steve Clark: No, I'm asking: As the Freedom Party of Ontario—

Mr. Robert Metz: No, there should be no limits, again, to any organization or group.

Mr. Steve Clark: Anybody? It doesn't matter whether it's a corporation, a union or an individual; you're saying no limits?

Mr. Robert Metz: I have no objection to corporate and union contributions, say, being prohibited, but that's just a technicality because they really represent people.

Mr. Steve Clark: No, I'm just trying to understand the position of your party. It's either open limits for everybody—

Mr. Robert Metz: No, it's very clear. There shouldn't be any limits. The limits are on the spending end—

Mr. Steve Clark: I'm just trying to figure out whether your party's position is open limits for everything, whether it's a union or a corporation—

Mr. Robert Metz: Yes.

Mr. Steve Clark: —or whether you want no limits on individuals, but you want to ban corporate and union donations. I'm just trying to figure out your position.

Mr. Robert Metz: No, I don't want to ban anybody.

Mr. Steve Clark: My second and final question is, on the back page, second-last paragraph—I'll just read from your presentation. The second-last paragraph says, "During these electoral periods, equal and reasonable spending limits, along with similar political tax credit regulations, are rules and guidelines that apply to all participants in an election race and do not particularly draw any undue concern at this point in time."

When you say the words "all participants," you're not talking about third parties; you're just talking about candidates.

Mr. Robert Metz: Participants in an election. That would be the candidates and parties who are running for a seat in the Legislature. Unions don't run for seats in Legislatures. Corporations don't run for seats in Legislatures, as such. Their members might or someone who owns one might, but that's a side issue.

Mr. Steve Clark: But you have to acknowledge that there has been in Ontario—you've been involved since 1984 and you were the leader of the party from 1987 to 1994. You obviously—

Mr. Robert Metz: No, I'm not the leader. I'm the president.

Mr. Steve Clark: No, I said you were at one point the leader of the party, right?

Mr. Robert Metz: Maybe in the first month or two.

Mr. Steve Clark: I'm just trying to understand your position. You only believe that there should be regulations on candidates, but you have to acknowledge that third-party spending has gone up tremendously in this province—

Mr. Robert Metz: I do.

Mr. Steve Clark: —since your party has been—and let's face it: There is an influence on the electorate.

Mr. Robert Metz: I agree.

Mr. Steve Clark: But you still don't think there should be any restrictions?

Mr. Robert Metz: But the influence is not what you always think it is. Sometimes the influence is the opposite.

Mr. Steve Clark: I'm just asking you a question.

Mr. Robert Metz: I think the idea that the influence that spending and advertising have on the electorate is almost treating the electorate with contempt, as if they have no minds of their own: "Oh, well, the person who spends the most money, I've got to go vote for him"—as if there's no choice involved in the process. It's as if there's no other way to find different information. I find the whole concept of this rather looking down upon the taxpayers and the voters in the province.

Why not eliminate all spending? Why not make it zero spending during an election? That would be a really preferable thing, if you want to go that way, and then we can all be on a perfectly level playing field.

Mr. Steve Clark: Thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Thank you. Ms. Wong.

Ms. Soo Wong: Thank you very much, Mr. Metz, for being here this afternoon. I just want to go back to get some clarification. I remember you saying, "Money does not buy votes." That's what you said to us this afternoon. Am I hearing correctly that you don't want any limits in terms of donations, whether it's individuals, organizations, corporations or unions, but in terms of spending—I just heard you say that there should be no limit—

Mr. Robert Metz: To third-party advertising. It is the government's job, and Elections Ontario's, to regulate an election as such. There are rules. You have to have rules. What determines the winner? Where are the electoral boundaries going to be? Where are the polling booths going to be? Issues like that. These are perfectly legitimate things for government to look at. But to regulate the people and the individuals who have the opinions that are being exercised in those polling booths is an entirely different activity.

Ms. Soo Wong: I want to get some specifics, Mr. Metz. Specifically, what is your party's opinion when it comes to spending limits per individual, per riding? Because right now you're saying to us there's no—

Mr. Robert Metz: Well, it's in my report. As long as they're reasonable and equal.

Ms. Soo Wong: What is reasonable? How do you define reasonable?

Mr. Robert Metz: Well, by using reason. Everyone agrees to it and consents to it in advance, generally. It's not imposed.

Ms. Soo Wong: All the three candidates? All the candidates?

Mr. Robert Metz: Everyone should. That's how we get along democratically.

Ms. Soo Wong: The other question I want to ask you, Mr. Metz, is with regard to the whole issue of disclosure, because right now all parties that receive donations over \$100 need to disclose within 10 business days of receipt.

Mr. Robert Metz: Yes. It's a disgrace. That came with Bill 214 under the pretense of real-time reporting. What we're forced to do is put the names of people who give us money online—\$100.01. Here we are, in a country that is supposed to have a secret ballot, and people's names are online. Do you know that anybody in any part of the world can go online, including our enemies overseas, and see who is supporting whose party by how much money they gave? I find this unconscionable.

Ms. Soo Wong: I want to ask you a question about the—

Mr. Robert Metz: Why would you have to do that? I just don't understand why a person who gives \$100.01 to any political party should have his name splashed out everywhere. That's like telling who you vote for.

Ms. Soo Wong: Am I hearing correctly that your party does not support any kind of disclosure with regard to any type of donation?

Mr. Robert Metz: Only for tax credit purposes. That's a tax matter, and that goes into the tax department. That's what we were told. Before, it used to be the Commission on Election Finances; they were a branch of the tax department. Tax matters are a personal matter between a taxpayer and the taxman.

The other issue is that a lot of people can't use those tax credits. That's why I wouldn't mind if we abolished tax credits and everybody just worked on volunteer financing. But to put people's names online who support a religion or a political party is so undemocratic that I find it unconscionable that we've been doing it this long.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Sattler?

Ms. Peggy Sattler: My question was answered in the question from MPP Clark.

The Vice-Chair (Mr. Lou Rinaldi): Perfect. Thank you.

Well, Mr. Metz, thank you so much for being here today, for the literature left behind and your contribution to the process.

Mr. Robert Metz: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): The next presenter—is Joyce Balaz here? I know we're five minutes early, but we'll wait. We'll recess for five minutes. We'll reconvene at 3:10.

The committee recessed from 1507 to 1515.

The Vice-Chair (Mr. Lou Rinaldi): We're going to call the committee back to order.

MS. JOYCE BALAZ

The Vice-Chair (Mr. Lou Rinaldi): We have Ms. Joyce Balaz here with us. Welcome.

Ms. Joyce Balaz: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): May we call you Joyce? Is that okay?

Ms. Joyce Balaz: Yes.

The Vice-Chair (Mr. Lou Rinaldi): You have up to 10 minutes—you don't have to take all 10; it's up to you—for your presentation, and then committee members will have up to 15 minutes to ask you any questions and clarifications. As you start, please say your name for Hansard so it will be recorded. The floor is yours.

Ms. Joyce Balaz: I'm Joyce Balaz. I'm just here to present my views on what should happen. I live here in London.

Thank you for allowing me to add my voice to this very important issue. I come here today as an ordinary Ontarian, concerned about my tax dollars and the programs and services that they make possible. I speak as somebody who believes very strongly in social justice. Inequality has created very harsh divides in society and, unfortunately, we are seeing the effects of this throughout the world today. I see this very clearly when it comes to the entire political process, election financing being just a small piece of the problem.

To help you understand where I am coming from, I believe I am more in tune with the political landscape

than the ordinary Ontarian, mainly because I saw grave problems with a system that I was forced into because I cared about another individual. This led me to try to effect change. I believe the only way to make change is to become active in the process that is responsible for policies and law. This is what brings me here today.

I want to start by saying that our democratic process is broken. We elect our representatives based on the values and principles which best represent our own. In most cases, that representative has aligned themselves with a political party, based on which party best represents their own values, interests and principles. However, once seated in the Legislative Assembly, the party lines are so strong that there is more division. I have seen amendments that would make legislation better able to serve the majority of people being dismissed, simply because it doesn't fit into the government of the day's agenda.

Election reform must happen so that there are no longer any false majorities, which enable this skewed representation of the voices of Ontario people. The way we finance elections is a good starting point.

But I ask you to look at the makeup of this committee. It is clear to me that the voices of many Ontarians will not be heard because the government of today holds a majority of seats on this committee. This consultation, then, becomes a mockery of social justice because the government will do what it wants in the end. The only solace I have is that our voices become a permanent record—not that that really helps, but we can try.

I often hear about levelling the playing field, so I want to bring forward a totally different perspective on how best to do that. Let's keep it simple, so that everyone will understand. Each electoral district is created to serve a similar proportion of the population. Why not simply fund each eligible party to a maximum amount and not allow any fundraising to take place? Only then will there be true equality.

We have all heard the adage, "Money is the root of all evil." Unfortunately, the people with the most money always seem to get heard while those with little get swept by the wayside. This is the reality of the current system.

By funding parties equally, we will become a more inclusive Ontario. In order to avoid the lust for power to influence how the funding is dispersed, it would be important to allow for a portion of the funding to be directed to the central party, but that an equitable portion be allocated to all of the various constituency associations. This way, each constituency association has the same opportunity to reach out to the constituents and bring forward the issues and their proposed resolutions to those issues. The face of elected officials will become the face of society because each person will have the same opportunity to put their name forward to serve the people.

Being able to seek office should never be based on financial capacity, but should be based on the willingness and ability to serve. By eliminating the need for people who volunteer with the various parties to spend an inordinate amount of time and energy on fundraising,

their efforts can then be focused on reaching out to the people in the constituency. By spending more time talking to people, there is more opportunity to see the electorate become more engaged in the issues.

1520

In terms of a per-vote subsidy, I can see this as an incentive to engage the electorate. That per-vote subsidy should be based on the percentage of vote received by the party, but again distributed equitably, with a portion going to the central party and a defined amount to each constituency association. This way, each party is rewarded for the work they have done, but more importantly, it will allow each constituency association to have operating funds which allow them to do the necessary outreach to the constituents in between campaigns.

In terms of advertising, my personal opinion is that too much money is being spent on advertising in the media, which easily reaches a large section of the population, but often those advertisements are so repetitive that people tend to tune out. However, in the meantime, they've been brainwashed into believing, and therefore do not question the reality of what is being said. Instead, the advertising dollars would be better spent locally, to truly engage more of the electorate.

There is currently an imbalance when the government uses tax dollars to advertise various programs to influence the electorate. These advertisements often glorify the work of the government, but do not paint the entire picture. This is why it is so important that there are restrictions placed on government advertising leading up to and including election campaigns. For this reason, it is extremely important not to tie the hands of advocacy groups and organizations that emerge to counter that rosy picture that we are being exposed to.

For example, we are daily being told that the government is building for a better tomorrow, building new hospitals, when the reality is that small communities are losing specific services within their hospitals, or the entire hospital. This means that some health care is no longer available locally, and people must travel to larger communities in order to access that necessary care. But there is no transportation to get people from point A to point B, and therefore they are denied care.

I could go on and on about how we are not being told the whole story, but that would take up all of my time, so again, I would reiterate that it is important that groups and organizations are able to counter that misleading message.

Unfortunately, parties who are not in power are disadvantaged because they do not have access to these advertising funds and, therefore, in any election, they start the race from behind the starting line. They must rely on the various advocacy groups and organizations to level the playing field. It is only through these efforts that the people of Ontario become fully informed. That is how I received details about this committee process. Where were the government advertisements to let people know that this and other consultations are taking place?

Speaking of the various rules and regulations connected with electoral processes, it is important that they

be easy to understand, concise so that they are not left open to interpretation, and fair and consistent between federal and provincial sectors. This will reduce the possibility of contravention of these rules and regulations, be it—what's the word I'm looking for?—deliberate or just accidental. We must remember that not everyone who volunteers with a political party is a lawyer, an accountant, a strategist or a policy guru. In reality, they are just Ontarians wanting to make a difference.

In my opinion, by streamlining the rules and regulations and publicly funding political parties, there will be some reduction in the costs. There will be no need for issuing tax receipts. Less time will be spent tracking donations, ensuring that people have not contributed more than is allowed. Eliminating the need for a tax credit for political contributions will thus simplify the income tax process, with less time spent on tracking improper donations etc.

All Ontarians will have the same opportunity to become involved in the political process, with their voices heard. All Ontarians will have the same opportunity to step up and serve the people. Political parties of all stripes will have the same opportunity to reach out to the electorate, and with the increased outreach, more electorate will feel that their vote is important.

So as an Ontarian wanting to make a difference, I ask, in the interests of humanity, true inclusion and fairness, that you consider publicly funding political parties on an equitable basis to truly level the playing field. Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you so much for your presentation. Now we'll go to questions. Ms. Vernile.

Ms. Daiene Vernile: Thank you very much for coming here today, Joyce, and giving us your information. It was a very thoughtful presentation. You've described yourself as an ordinary Ontarian. You belong to the Ontario NDP, do you not? You're an executive?

Ms. Joyce Balaz: Yes, I do.

Ms. Daiene Vernile: Well, that's not really too ordinary, to sit on the executive of a political party.

Ms. Joyce Balaz: Except it was my choice to do that, so I could make change.

Ms. Daiene Vernile: Okay. You also said that money is the root of all evil. I think the actual saying is, "The love of money is the root of all evil," but very similar.

I agree with you that it's important for candidates to get out there and knock on doors and meet people. This is a way of connecting with individuals and getting them to know who you are and what you're all about. But I totally agree with you: That's an important thing that we need to do.

Now, I want to ask you about disclosure of donations. Bill 201 is looking at banning corporations and unions from making any kind of a donation to political parties or to political candidates. There is a concern, though, that if we do this, businesses and unions might try to funnel money to their employees or members. As a way of mitigating this backdoor way of getting money over to political parties or to candidates, having everyone who

makes a donation disclose who their boss is, who they work for, what union they represent and where they live—what are your thoughts on that? Do you agree with that?

Ms. Joyce Balaz: I agree that that would allow for more accountability, but in what I'm explaining, where it's publicly funded, there would be no need for that, so we would not have to do any of that policing at all.

Ms. Daiene Vernile: So you would go for a model where campaigns are completely funded by taxpayers. The gentleman who came in just before you was—you weren't here, but he was very much against that, and felt that it was inappropriate for people to do that, simply because, as a taxpayer, how would you feel knowing that your money is going to represent a political party that you didn't support?

Ms. Joyce Balaz: That would be the same for every Ontarian. It becomes a level field again. The same thing happens for everybody. It doesn't mean that I have to worry about my money going to support another party, but that it supports the electoral process in general.

Ms. Daiene Vernile: I want to ask you about real-time disclosure. You're familiar with this?

Ms. Joyce Balaz: No.

Ms. Daiene Vernile: This is when you make a contribution, whether you are an individual, a corporation or a union, and within days, that information has to be publicized. We're looking at expanding that. What are your thoughts on that?

Ms. Joyce Balaz: Well, I believe in accountability. When we see where the money is coming from, that's a good thing. But again, if we go to the publicly funded piece, that won't be necessary. So we're going to be eliminating some of that cost in policing that.

Ms. Daiene Vernile: Joyce, thank you very much for your comments.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Sattler.

Ms. Peggy Sattler: Thank you very much, Joyce, for coming here today and sharing your thoughts as to changes that should be made to promote democracy in Ontario. You talked about the need to restrict government advertising, and you also talked about the fact that government advertising tends to paint a rosy view of what the government is doing.

Now, there are different approaches can be taken to restrict government advertising. Some other provinces—Saskatchewan, for example, prohibits ministries from advertising their activities during an election period or in the 30 days prior to an election period, with very minor exemptions. In Manitoba, government and crown agencies are prohibited from advertising in the 90 days prior to the election and throughout the campaign. Is that the kind of approach that you think Ontario should also take to restrict government advertising?

Ms. Joyce Balaz: Absolutely, because, as I said in my presentation, the other parties that are not in power are already starting behind the line that you start with. People are being given the information that the government wants us to see and hear, yet the other parties don't have that opportunity, because they don't have the funding

that's being used to do this advertising. I'm not even sure if 90 days is enough.

Ms. Peggy Sattler: Okay. I guess the other option that some have talked about is to place a dollar cap on the amount of advertising that government can do. Or do you think that a prohibition on government advertising during the writ period and in advance of the writ period would be a better approach?

Ms. Joyce Balaz: I think it would be better to have it in advance of the writ period, just to level that playing field a little bit more.

Ms. Peggy Sattler: Okay. And previous presenters have talked about the Auditor General's report on government advertising and the impact of the changes that were recently introduced which allow the government to be even more partisan in the kind of advertising that they produce. Do you think that the Auditor General should be returned to her ability to provide oversight of government advertising, to make sure that it's not crossing any partisan boundaries before it's able to be disseminated?

1530

Ms. Joyce Balaz: Yes, I think that's an important piece. I'm not sure if it's just the Attorney General or the Auditor General who would do that piece. There has to be some oversight. It's very easy—I think we saw that with the federal election, starting with the billboards looking very similar to the Conservative piece, and then people are equating those billboards with that party, etc. So I think there has to be some oversight on that advertising.

Ms. Peggy Sattler: Okay. Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Clark.

Mr. Steve Clark: Thanks for your presentation.

Because you've chosen to take the position that you want all the parties publicly funded, I'm not going to ask you about contributions or whatever, but I do believe that Ms. Sattler did have a good point. One of the concerns that we've heard from some deputants was the fact that the government had some political ads regarding, for example, the ORPP, and also had some government ads as well. I think it's important that she made that point, because we've had many deputants ask, as part of this process, will we give the Auditor General back those powers.

One of the people who came yesterday was the Chief Electoral Officer for our country. One of the things they do federally, I think he said through the ethics commissioner, is to really control the access that lobbyists have to cabinet ministers. One of the suggestions that I've heard from people is that that would be a good thing, to separate those who would lobby from cabinet.

Right now, as you know, there are many stories about cash-for-access fundraisers that the government has had. The example that my colleague, Mr. McNaughton, gave this morning was that seven wind companies had paid, I think he said, \$255,000. They all got contracts. The three wind companies that didn't give money, didn't give a donation to the Liberal Party, didn't get anything. They were shut out.

Do you think that, as part of this process, perhaps we should look at the bill we have that governs our operation and the cabinet ministers' operations, called the Members' Integrity Act? Do you think it's a good thing for us to look at that bill, in addition to Bill 201, to really focus on lobbyists' access to cabinet ministers?

Ms. Joyce Balaz: Yes, I do agree that there needs to be some kind of control on that piece. I can't say that I specifically looked at those issues, because I was focusing mainly on the funding piece. It is really hard for somebody who is looking to make change to see—I don't have the money to go out there and buy that change, and that's what it seems like is happening: The money buys that change.

Mr. Steve Clark: Thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Wong.

Ms. Soo Wong: Thank you very much for coming here today. My question deals specifically with third-party advertisement. As you probably heard, Ontario is proposing that we put in some limits in terms of third-party advertisement, something that's been recommended by witnesses coming before this committee, as well as the Chief Electoral Officer.

I'd like to hear your opinion—I know you belong to the NDP party, but also from yourself as an Ontarian. What's your position on the limits, considering that some for-profit companies can be seen as third parties as well? What is your view of third-party advertisement in terms of limits?

Ms. Joyce Balaz: The thing that I struggle with is, what is third-party advertising? If it's a small group that's coming out about an issue, that doesn't have a lot of funding, for them to even buy that advertising is quite a stretch for them to do, but to get that message out, they can choose to do that.

I think it's really important to determine the level of third parties and what that third party is. A big corporation funding a movement, which I think is something that they try to hide so that they can get that happening—I think that's probably part of the problem, being able to hide that in an advocacy group.

Ms. Soo Wong: What I'm hearing is that you just told the committee that you want the committee to consider having a very clear, explicit definition of what is meant by "third party." Okay. I want to make sure we heard that for the record's purposes.

I also hear that for NGOs, non-profit organizations—because we really want more diverse Ontarian views, because we live in a very diverse community. What you're saying is that if you're limiting the limits to third-party advertisements, it may prohibit that voice to be heard, especially for those smaller non-profit groups. Am I correct?

Ms. Joyce Balaz: That's correct.

Ms. Soo Wong: Okay. Thank you very much for being here. I really appreciate it.

The Vice-Chair (Mr. Lou Rinaldi): Thank you so much. If there are no further questions, Ms. Balaz, thank you so much for taking the time to come in today. Cer-

tainly every input counts, and we appreciate you being here. Thank you very much.

Ms. Joyce Balaz: Could I just add one comment before I close?

The Vice-Chair (Mr. Lou Rinaldi): Sure.

Ms. Joyce Balaz: That was because you sort of opened the door when you talked about the fact that you wouldn't talk about levels of contribution and everything. When I looked at things, if we did have to not do the base funding, which I know is pretty dreamy on my part, the

lower the contribution is, I think, is important because then we don't have money buying change.

The Vice-Chair (Mr. Lou Rinaldi): Great. Thank you so much. Have a great day.

Ms. Joyce Balaz: Thank you. You too.

The Vice-Chair (Mr. Lou Rinaldi): The last presenter, Len Elliott, as you probably know by now, is not going to be here, so the meeting is adjourned until tomorrow in Windsor.

The committee adjourned at 1535.

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CONTENTS

Wednesday 27 July 2016

Election Finances Statute Law Amendment Act, 2016, Bill 201, Mr. Naqvi / Loi de 2016 modifiant des lois en ce qui concerne le financement électoral, projet de loi 201, M. Naqvi	G-1363
Mr. Nelson Wiseman	G-1363
London Health Coalition.....	G-1372
Ms. Shirley Schuurman	
Mr. Jeff Hanks	
Ontario Libertarian Party	G-1376
Mr. Matt Radford	
Hydro One Not For Sale, London chapter	G-1379
Ms. Ange Thompson	
OPSEU Local 109, Fanshawe College.....	G-1383
Mr. Ron Kelly	
London and District Labour Council	G-1386
Ms. Patti Dalton	
Freedom Party of Ontario.....	G-1390
Mr. Robert Metz	
Ms. Joyce Balaz	G-1394

G-65



G-65

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Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Thursday 28 July 2016



Journal des débats (Hansard)

Jeudi 28 juillet 2016

Standing Committee on General Government

Election Finances Statute Law
Amendment Act, 2016

Comité permanent des affaires gouvernementales

Loi de 2016 modifiant des lois
en ce qui concerne
le financement électoral

Chair: Grant Crack
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Thursday 28 July 2016

Jeudi 28 juillet 2016

The committee met at 0901 in the Holiday Inn Hotel and Suites, Windsor.

ELECTION FINANCES STATUTE LAW
AMENDMENT ACT, 2016LOI DE 2016 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LE FINANCEMENT ÉLECTORAL

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.

The Vice-Chair (Mr. Lou Rinaldi): It's 9:01. I'm going to call to order the meeting of the Standing Committee on General Government and welcome deputants dealing with Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007.

We have some new faces here today. Just a quick update on the process of the committee: We'll have 10-minute presentations from deputants, and then we'll have 15 minutes for questions. It's not your typical five, five and five. We try to keep it as a dialogue. If you have a question—I'm talking to members now—or need something clarified, please put your hand up, and I'll try to distribute within the time frame to the best of my ability. It might not always be five, five and five, but I'll certainly try my best.

MR. ENVER VILLAMIZAR

The Vice-Chair (Mr. Lou Rinaldi): The first deputant is Mr. Enver Villamizar. Welcome. As you've heard, you have up to 10 minutes for your presentation—you don't have to use all 10 if you don't need to—and then there are 15 minutes for members to ask questions. As you begin, if you could please state your name for Hansard so that it will be recorded, it would be much appreciated. Welcome.

Mr. Enver Villamizar: Thank you, Mr. Chair and members of the committee. My name is Enver Villamizar. I'm a high school teacher, and I'm the political action officer for the Ontario Secondary School Teachers' Federation District 9, which represents teachers and education workers in this area who are

employed by the Greater Essex County District School Board.

I'd like to raise concerns today with the process that is being implemented surrounding the passage of Bill 201, the Election Finances Statute Law Amendment Act, as well as the proposed bill itself. In my view, if passed, the legislation will deepen the crisis of credibility of the electoral and political system in Ontario, which has gone to a new low with the revelations of the pay-for-access system.

The proposed legislation and this process come in response to the fact that ministers of the Ontario government gave access to those who agreed to pay, in some cases, thousands of dollars to the Liberal Party. Media reports have revealed that this was part of an elaborate "system"—in the words of former minister Dwight Duncan—in which ministers of the crown agreed to use their positions to meet fundraising targets given to them by their party.

It has also been revealed that higher targets were given to ministers in charge of portfolios that were responsible for handing over bigger amounts of public funds to private interests, such as the Minister of Finance and the Minister of Economic Development, as opposed to ministers in charge of ministries where so-called stakeholders might not be able to pay as much, such as those overseeing social assistance.

The means by which this was done was by using pay-for-access meetings, which were called "receptions" or, in other cases, "events," in which ministers would give access almost exclusively to private interests who deal with the ministry they oversee. According to an investigation by the Globe and Mail, some of the events had tickets sold to five or six people, while others had sold to 30 or 40 people.

No official inquiry has been launched into this whole scheme and its relationship to government decision-making and the exercise of power. We are told by the same government that used it that this scheme did not influence government decisions. We are supposed to trust those who carried it out to tell us whether or not power was abused.

Bill 201 does not hold anyone accountable now or in the future for this breach of public trust. The fact that the legislation has already been written by the government implicated in the whole affair and then imposed on the Legislature with a new process of so-called consultation

agreed to behind closed doors with only the parties in the Legislature participating raises serious questions of the credibility of the whole process and the aims of this bill in particular. Is it really to address pay-for-access or something else? The fact that the process is starting with legislation being tabled, rather than an inquiry, lends credibility to the view that it is about something else that has already been decided behind closed doors.

While not addressing the actions of ministers of the crown in this whole affair, including the Premier, the legislation does seek to strengthen the grip on politics of the political parties in the Legislature and their privileged position while at the same time imposing increased policing on the electorate and their social and political organizations, who are referred to as “third parties.”

The legislation proposes to hand over a per-vote subsidy to the parties currently in the Legislature based on the results of the last election as well as reduce the threshold for reimbursement. It appears as if the parties in the Legislature are in agreement to give themselves a per-vote subsidy that would amount to millions of dollars in public funds. Shockingly, this is over and above the \$514 million that the parties in the Legislature have received between 2012 and 2014 in the form of public subsidies of different types, according to the testimony of the Chief Electoral Officer on your first day of hearings. I repeat: \$514 million in two years.

What is all this money used for? What kind of a political system do we have in which parties require tens and even hundreds of millions of dollars to participate and in which the majority of the electors still do not participate? What has happened to the right of Canadians to elect and be elected and to cast an informed vote? Why do these campaigns require so much money and why are parties permitted to spend this much money, much of which ends up being paid by the public purse?

Ontarians should not be forced to finance political parties they do not support. This is in effect what a per-vote subsidy as well as other subsidies currently amount to. It's a violation of the right to conscience and freedom of association of the electorate, who should be free to support the parties that they wish and that they feel represent them.

If people aren't donating to political parties, in my opinion, it's linked to the type of activities they are seeing taking place, such as the pay-for-access scheme, or the parties are not political, but electoral machines will do anything to win. This cannot be resolved by providing guaranteed public funds to the same parties who themselves are the problem.

While there appears to be complete consensus on the committee regarding the subsidy, the major concern of the committee in its deliberations thus far appears to have been to what extent the actions of what are defined as “third parties” in elections should be policed. This is by sleight of hand linked to the pay-for-access schemes when, in fact, they are two different matters. The pay-for-access scheme reveals the actions of ministers of the government who use their positions to get money for

their party from various corporate and private donors as well as a number of unions. This is said to be legal because donations from these entities are legal. It may have been legal for them to give, but the issue is the actions of government ministers in collusion with the Liberal Party. Even by banning corporate and union donations, the issue remains the ability of ministers to abuse their power and the public interest and a lack of any measures to hold them to account. Once in majority, government can do as it pleases.

It is concerning that the emphasis is being placed on policing the participation of Ontarians in politics. Combined with rules banning donations from unions and corporations, the measures targeting the participation of third parties do not appear to be based on any democratic principle, but rather on limiting control over the process of elections to the parties currently in the Legislature and no one else. The only example given for why the role of third parties has become a problem was provided by the Chief Electoral Officer who, in his intervention, indicated that there was increased spending by third parties in elections, and in particular in by-elections. This in and of itself does not justify bringing in new arrangements to regulate and police electors' activities. It is not the actions of third parties in elections that brought us the pay-for-access scheme.

0910

In this respect, it's telling that one of the examples given by the Chief Electoral Officer is that of the KW and Vaughan by-elections held in September 2011. The spending of third parties in that by-election amounted to 61% of the total spending. This was cited by the Chief Electoral Officer as an egregious example of the role played by third parties. However, what took place in that by-election? What were the factors involved, and is it evidence of undue influence of third parties over elections or something else? None of that has been discussed.

Those by-elections resulted directly from the attempts of the McGuinty government to win a majority at all costs, which they failed to achieve by one seat in the previous general election. The Liberal government used their control over the government to give a plum position as chair of the WSIB to a Conservative member who subsequently resigned her seat, freeing it up. The Liberals, I'm sure, had hoped to capture that one seat in order to gain the majority they wanted; they were one seat shy at the time. They appointed Elizabeth Witmer as part of this. This was not only cynical, but a slap in the face of Ontarians. It was a slap in the face of injured workers, who saw the head of WSIB being handed over to a former labour minister of Mike Harris. At the time, the WSIB was being restructured on the backs of injured workers.

Significantly, the by-election also took place at a time when Liberals and PCs were waging an all-out war against teachers and education workers, and public education in general, having collaborated to pass Bill 115, which sought to give broad dictatorial powers to the Minister of Education. The Liberals and PCs seemed to

both hope that that by-election could be won by vilifying teachers and education workers and their unions, with the Liberal candidate in particular campaigning openly in this vein.

Many people took action to intervene in that by-election, to prevent a Liberal majority and make a political statement against what they saw as the corruption of the Liberals and their attacks on workers' rights. There was a lot at stake because of the brutal actions of the government in power and the chances for people to make a statement against it by defeating them both: Denying a majority to the Liberals and preventing any momentum for the PCs and their new leader, Tim Hudak.

The turnout was over 60%, something unheard of for a provincial by-election. This itself shows the importance that this by-election took on.

This is all to say that the by-election in particular became a contest between those who oppose government corruption and abuse of the public interest and violations of workers' rights on one hand, and those who sought to gain power for themselves on the other. The people prevailed in that case, defeating both the Liberals and the PCs; and in that case, those who were defined as "third parties," including many unions and union centrals, participated in order to defeat the Liberals' attempts at an electoral coup. Along with their campaign to destroy the post-war labour relations regime—

The Vice-Chair (Mr. Lou Rinaldi): Mr. Villamizar, you have about a minute left.

Mr. Enver Villamizar: Thank you.

These people were forced to intervene—and by "these people" I mean the unions and many activists—in order to uphold the public interest, one of the reasons why there was so much spending in that by-election. The recent Supreme Court ruling, which indicated that Bill 115 violated fundamental freedoms, reaffirmed the importance of people being involved in that by-election.

It's interesting that the participation in that by-election is being used as an example of the need to limit the participation of third parties. This is a real cause for concern. The parties themselves do not face limits on what they can and cannot do with their funds in an election under the proposed new legislation, while unions and other organizations are to have more limits imposed on them, possibly even before the election has begun—for example, the requirement that unions only be able to encourage their members to vote and nothing else, lest it come under third-party advertising regulations.

The Vice-Chair (Mr. Lou Rinaldi): Can you please wrap up?

Mr. Enver Villamizar: Just to wrap up, an appropriate reform of elections financing law should be done by involving Ontarians in a broad discussion about existing problems and how elections should be run to sort them out. A rushed process with decisions made behind closed doors on who can and cannot participate that excludes the vast majority of political parties and Ontarians will not produce a reform of the law that increases empowerment of Ontarians. Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you so much. Now we'll turn it over to members. As I said, we have 15 minutes total. Please respect the other members and do not monopolize the time, and I'll try very much to get everybody involved. First is Ms. Wong.

Ms. Soo Wong: Thank you very much for being here this morning. I just want, before I ask you the question, to give you some background. The Premier had publicly said that when we brought in Bill 201 to the public, there would be travelling on first reading. That's what we're doing this summer, sir. I just wanted to clarify your statements to the committee for record purposes.

We're still in the drafting stage right now. Normally, bills that come before the Legislature don't travel or have public hearings until second reading. We're still in first reading, just so you can be clear about this. There is still opportunity. After this presentation this morning, you can submit your comments to the Clerk so that the committee can have a chance to look at your written submission. This is the first time that I'm aware of as a member that a committee is travelling on the first reading to hear from Ontarians. We have been travelling this week to south-western Ontario and here is an opportunity to say what you want to say about this particular bill. So I just want to be very clear: This is not done behind closed doors. It's still in draft stage. It's only in first reading.

My question to you this morning, sir, deals specifically with Bill 201. What do you support or what can we do to strengthen the legislation? So first of all, I want to hear from you, in terms of a level playing field—because we heard from many witnesses this week to end corporate donations as well as union donations. Do you support that position?

Mr. Enver Villamizar: I'll address your first, I guess, comments by saying that my concern was not—the process is very open. You're travelling. I'm aware of that. The problem I was raising is that the process began with legislation. It didn't begin with an inquiry into what actually took place with the pay-for-access scheme and then from that inquiry figuring out how to come up with legislation that will address that problem.

Ms. Soo Wong: We have a draft bill. There's no legislation.

Mr. Enver Villamizar: A draft bill, right.

Ms. Soo Wong: A draft bill. We've got to start somewhere. There's a draft proposal before this committee and the public, all Ontarians. My question to you this morning, sir, is, do support corporate donations and union donations to political parties?

Mr. Enver Villamizar: To continue addressing what you're asking, I think the process is being set up to have a discussion that doesn't relate to the problem. The draft legislation or the draft bill does not address the actual problem, so to have people respond pro or con to something that doesn't even deal with the problem in my opinion doesn't do justice to what this committee should be dealing with.

As far as my personal view as to whether corporate and union donations should be banned, in the context

within which it's being proposed in the bill, I don't think it's going to solve any problems. If the problem the committee is trying to address is how to stop pay-for-access and those types of things—if that's the aim of the legislation, I don't think banning union and corporate donations will address that in the least. I think it will cover up new forms of influence peddling, because the central issue, which was the pay-for-access scheme, has not been dealt with or even investigated at this point. Out of context, union and corporate donations being banned or not can be discussed, but in the context of this overall legislation, it's not going to solve the problem that this legislation is supposedly meant to address.

Ms. Soo Wong: The other question I have for you is with regard to individual donations. There have been numerous witnesses coming forward saying we should eliminate them; others have said to lower the contribution limits. What are your thoughts about that?

Mr. Enver Villamizar: The fundamental principle I would put forward is that people should be allowed to support the political party that they are either members of or support. I don't necessarily think that limits are the issue in that case.

0920

My main concern is that I don't think the people's public funds should be given to political parties without their consent. The per-vote subsidy, as well as the reimbursement in elections, in my opinion, is a form of taking people's tax dollars and giving them to parties that they may not support. That, I think, violates people's right to decide who they want to support politically.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Clark.

Mr. Steve Clark: Thank you very much for your presentation. I appreciate your comments.

I want to make sure that you get an opportunity to explain the need—you mentioned an inquiry on this issue many times. I still believe that one is needed to explore the possible links between this government's fundraising practices and the awarding of government contracts. Do you believe that is the top priority for the Legislature to move forward with this pay-for-access scandal?

Mr. Enver Villamizar: The Legislature itself has to decide what its priorities are. I would say that if that is what the government and the Legislature want to address—in my opinion, a big problem is the crisis of credibility now.

Failure of sound system.

Mr. Enver Villamizar: You've had people testify in front of this committee very eloquently saying that this is a real problem, that people with money get access and we, as individuals, don't. To address that credibility gap or people's concerns, I think there has to be a public airing of it, a public inquiry.

It's interesting that when there were allegations that OSSTF and other unions were getting money from the government during provincial negotiations, there was a big call for an inquiry. There was even a committee set up, which the Liberals agreed to, to investigate receipts and everything. But when it comes to this, there hasn't

been the same interest in really going into what took place there.

Whether or not it's the number one priority, in order to give people confidence in a political system, they have to see that it's not corrupt. I think there's a perception out there that it is, and all the anecdotal and other investigations point to the fact that it may well have been. So if the government wants to address that problem, going into that issue is definitely a priority.

Mr. Steve Clark: Thanks for your support of an inquiry. If the government is still adamant that they're not going to move forward with that vehicle, do you believe that this bill, once it has had first reading discussion—as Ms. Wong said earlier, once it goes back to the Legislature for second reading—do you recommend that the committee do exactly what we've done this summer and go back at second reading and take this bill out to communities as part of this committee process?

Mr. Enver Villamizar: One big problem is that this is being done during the summer. For people to really participate and give their views—young people especially, who are in university and other things—this is the worst possible time it could have been done, the timing of it. Going through a process during the fall would be positive.

But for me, the problem, again, is the starting point. The starting point of this legislation, when I look at it, is not dealing with pay-for-access. It's good to have public airings of these things, what's being proposed, but in my opinion people are being set up to be pro or con something that doesn't even deal with the actual problems.

Mr. Steve Clark: And that's why you want an inquiry.

Mr. Enver Villamizar: Exactly.

Mr. Steve Clark: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Mrs. Gretzky.

Mrs. Lisa Gretzky: Thank you for coming to present today.

I just want to clarify something, because there is some confusion as to whether this is a draft bill or it's not a draft bill. This bill was actually tabled in the House on May 17 of this year, so this is not really a draft bill because it has been tabled in the House.

To that end, I want to explain that in the beginning, New Democrats, along with the Conservatives, were pushing for a non-partisan committee to draft legislation. We wanted the input from Ontarians prior to a bill being brought forward. So we do share concerns about the fact that this was a draft bill that was drafted by the Liberals, who said to the Legislature, "This is what we've come up with, and we're going to travel it in the summer to get input."

We would rather have seen Ontarians, a totally non-partisan panel, not made up of MPPs all sitting around, have input into actually drafting a bill that would then be tabled and debated in the House. So we do share concerns about that. In fact, on April 19, we tabled a motion to have just that happen, to have a non-partisan process, and that was defeated by the Liberal side.

We share your concerns about the fact that it was drafted without input of Ontarians. We do know how difficult it can be, once legislation is tabled, for changes to be made even through the committee process. We still continue to have concerns, but at least this is a start, having people have the opportunity to come out and share their concerns.

What I'd like to know is, would you scrap this particular process altogether, and the bill that has been tabled, and start from scratch? Would that be preferable, to have a completely non-partisan panel of Ontarians to bring a draft forward? Or is this the ideal situation, for us to continue on with the legislation that has been tabled and move forward, and then potentially, after second reading, have more input from Ontarians?

Mr. Enver Villamizar: I would say, if the legislation is passed, not just in its current form, but where its focus is, it will make matters worse in Ontario. So in that sense, I think this legislation—its goal isn't to solve the problem that it was meant to, so you can't turn it into something positive. In my opinion, this legislation should definitely be scrapped, and the process should be worked out very publicly as to how to consult on changing the political laws, whether it be electoral financing or federal electoral reform. People should be involved; it should be a very open process and it should include all those involved.

For example, the fact that the vast majority of political parties in Ontario don't have a seat at this committee, and didn't have a say in the legislation under which they're going to be regulated, is itself a problem.

The fact that the Chief Electoral Officer himself said that he was not formally consulted is a huge issue as well. This is the person who is going to be in charge of policing and implementing these regulations, and the fact that he wasn't consulted in the beginning reveals further that there's something else afoot.

I think definitely it should not be proceeded with. A more participatory process that establishes what's needed first, and then legislation drafted to solve that problem, I think, makes much more sense than the current process.

Mrs. Lisa Gretzky: To build on something you said, then, you're of the opinion that it was just the three major political parties that have been consulted to this point. We had asked that the Green Party be included as well. Are you thinking that it should go beyond even extending it to the Green Party, and extending it to any political party that is a registered party, a party that you may see having a representative on a ballot come election day?

Mr. Enver Villamizar: To say that because the Green Party was included is a step forward. The issue is, what's the principle guiding it? If the principle is everyone who is going to come under the authority of this legislation, which is all the parties, then they should all be consulted. To pick and choose which should and shouldn't, based on arbitrary criteria, doesn't do justice to this—to the Legislature, even. Those parties that have gone through the process to register and have fulfilled those requirements are legally registered and should be consulted in legislation that's going to directly affect them. In my opinion, that's a no-brainer, for sure.

Mrs. Lisa Gretzky: Do you think that it should then be taken outside of even those political parties to the general public, so that the electorate has an opportunity to have a say in the legislation?

Mr. Enver Villamizar: For sure. Everyone is free to speak at these hearings, for example. A new process, I think, definitely should be open to the public. Also, experts in the field should be invited. All the political parties should have the opportunity to speak, and all those who have a stake in the legislation—not just those chosen by either the party or the committee, but those who will objectively come under its rules and regulations.

Unions, for example: As the legislation currently stands, they're going to come under it, and they're free to come, but they should really have a seat at the table as well, because this is going to police their activities much more so than it would in the past. But again, we're talking about if we were going a different process. So I think, for sure, all of the political parties, experts and the general public should be involved.

0930

Mrs. Lisa Gretzky: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Potts, you have 30 seconds.

Mr. Arthur Potts: Thank you for your very thoughtful comments.

Back to this whole process argument: You can't have everyone at the table. It's a very big table that you'd be talking about.

I gather that you ran as a candidate, so what I wanted to talk to you about is the threshold for gaining that dollar subsidy per vote. Do you think the threshold is too high or too low? When you ran, what percentage of the vote in the riding did you have? Would you have made the threshold so that your party and your candidacy would have benefited from that kind of a threshold?

Mr. Enver Villamizar: First, to clarify, provincially I did not run for a party; I ran as an independent. So the party wouldn't have been affected that way. That was in 1999.

As far as the threshold, if certain parties are going to be funded based on an arbitrary threshold, then I think you're violating the right to conscience. I think you're then using someone's public funds, through their tax dollars, to give to a party that they may not support.

I don't think political parties in general should be reimbursed by the government for their spending. They should be supported by their members and supporters. That's where they should get their money from. I think once you finance them publicly—not only on principle—compromising the right to conscience, but then there's an incentive to spend more. If you spend \$20,000, you're going to get a higher percentage of the vote because everyone knows you're running.

I'd like to see a system where the government would fund the process of elections rather than the parties themselves, where they would ensure that every elector is informed and would receive information on all the

candidates and all the parties and be able to cast an informed vote. I think that would be a much better use of the spending.

Otherwise, I think the cut-offs of threshold are arbitrary. If it's based on a democratic principle that if you vote for a certain candidate or party, you're saying that that's where you want your \$1.50 or whatever to go, it should go regardless of any threshold.

The Vice-Chair (Mr. Lou Rinaldi): Unfortunately, the time is up. Thank you for taking the time to come and speak to us today. We very much appreciate it. If you'd like to send your comments to the Clerk in written form, that would be much appreciated as well.

Mr. Enver Villamizar: I'll do so. Thanks a lot.

MR. PHILIP SHEARER

The Vice-Chair (Mr. Lou Rinaldi): Next is Mr. Philip Shearer. Mr. Shearer, welcome. I'm not sure if you were here at the beginning. You have 10 minutes to make your presentation, and we'll have 15 minutes for questions from the members. Please state your name for the record as you begin. The floor is yours.

Mr. Philip Shearer: Thank you to the Chair and members of the committee for this opportunity to speak to you today. I'm Philip Shearer. I am a behaviour consultant with the Ministry of Children and Youth Services, working as a child care worker in mental health. I'm also an elected board member for region 1 of OPSEU, the Ontario Public Service Employees Union, from Woodstock to Windsor. I represent them.

I asked for the opportunity to present today in order to talk to you about one particular piece of Bill 201, and I think it's important for this conversation: the public funding of political parties. I know that public funding is a contentious issue, and I'm sure you've heard from people who support it and people who don't. There are valid arguments in favour of it and also valid arguments and concerns with the way it's proposed here. But public funding exists in many jurisdictions across the country in a number of different forms.

I am here today because I think there's a way to address some of the concerns that people have about the per-vote model without losing the benefits that come from reducing the influence of big money in politics—not to throw out the baby with the bathwater, as they say. The benefits of reducing the role of big money are hugely significant. When we find a way to fund the political process that doesn't require parties to chase the donors with the deepest pockets, we allow parties to instead focus on winning support from the broadest cross-section of Ontarians. We create a level playing field, where my support means the same as someone in a precarious minimum-wage job and theirs, in turn, means the same as someone making millions each year. That should be the goal. After all, every citizen gets one vote. My vote should mean just as much as the vote of a wealthy businessman in Toronto. But with donation limits, I can never hope to match that. The truth is, I know it doesn't, and that needs to change.

While it's important to make sure there's a level playing field, it's equally important to make certain that people are able to change where their financial support is going between elections. The fact that I voted for a party in one election shouldn't mean that I'm funding their next election. What we need is a system that allows people to support the party they choose, not the party they chose last time.

There's an easy way to do this, and the best part is that it doesn't require any additional paper. It's as simple as adding a single question to my income tax return. Right now when I file my taxes, I check off a box as to whether or not I want to share the information with Elections Canada. In another section is the Ontario Opportunities Fund, which lets me contribute a portion of the return to paying down the debt. By adding one more section, you could allow each Ontario citizen to designate one or more parties to receive a share of the \$10 in financial support for the year. They could do it all to one party, they could split it, they could withhold it; they could do as they choose, as per the question. They could also choose to provide it to an independent candidate who could then receive the funds when they are registered as a candidate for the next election. This would be paid out quarterly and would last until the next year's return, at which point I could choose where it was going to go the next time.

Just imagine the benefits of this approach. This would provide sufficient funding to offset the elimination of corporate and union donations, which I agree with, and it would also provide more funding than the current bill does, which would allow you to significantly reduce the individual donation limit, further levelling the playing field. It would let people send a message to the parties they feel are doing something wrong right away, and, of course, to the ones that are doing something right. Rather than having to wait for the next election, voters can dock a party's allowance until they shape up. If a party suddenly finds its annual revenue cut, perhaps they'll clean up their act a little quicker.

You could offset a significant portion of the cost by eliminating the tax credit for political donations. This credit, currently, cost more than \$13 million in 2014-15 and, right now, only amplifies the donations of those who can afford to donate the most—which certainly isn't child care workers—while doing little more to empower those who are already marginalized. Instead, this approach would give everyone, from the millionaire lawyer to the gas pump attendant, the same amount of financial influence.

Here's the best part: On top of all the benefits I've already mentioned, it would also allow parties to spend less time fundraising. I'd get a lot less emails, calls, letters, requests for the \$10, the \$17, and all the rest of those that you send out quite regularly. Just think of the ideas we could come up with if all the parties were rewarded for spending all that energy developing solutions rather than coming up with phone scripts. I imagine that I'm not the only one in this room who would be happy to see a lot less emails requesting money—instead offering ideas for Ontario.

The reality is that something needs to change. The current system, which gives the most influence to those with the most money, is really broken. The media stories we keep reading about \$10,000 dinners are clear evidence of that, along with the little golf tournaments that seem to go on all summer.

I want to thank you for the work you're doing because this bill contains some good proposals. It's time to level the playing field and take big money, and the special access it buys, out of the picture, but the idea that the vote I cast four years ago could determine the strength of the party's campaign four years later doesn't seem like the solution to me. Instead, let's provide public funding in a way that gives equal weight to everyone, regardless of their income, while allowing people to adjust their support based on the party's actions. Let's create a system where what matters to parties is the number of their supporters, not their net worth. Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you very much. Now we'll go to some questions: Mr. Fraser.

Mr. John Fraser: Thank you very much, Mr. Shearer, for being here today and for your presentation.

That's an interesting idea that you have. I can see where you're getting to. It may be hard to actually implement through the taxation, but I see where you're going on that. I do, in terms of the influence of big money, because it comes from all directions, agree with you: I think that we should ban union and corporate donations. But one of the things we've been talking about is with regard to third parties; we've heard "no restrictions" and "restrictions."

0940

The challenge is, once you start to ratchet down on the fundraising, which I think is a good thing, the next risk you have is that it's going to pop up somewhere else. If you can imagine this, go back to 2003, and banning all the coal plants. There are no restrictions on third-party spending. The coal consortium decides that they're going to spend \$3 million. There are no restrictions on them. Or, quite frankly, the power workers' union decides, "Well, we don't want to get out of coal, because it actually employs more people than if we go to this mode." That's in their interests.

Those two entities are doing those things that are important to the people they represent. The challenge is that it doesn't necessarily represent the interests, maybe—it doesn't represent the interests—of everybody in terms of what would have been the importance of making sure our air was cleaner.

I want to ask if you have any thoughts on that. What do you think we should do? Do you think there should be some limitations? Do you think there should be no limitations? Because once we crank this down, it's going to come up somewhere else; it will. It's just displacement, because those are out there. We're having a debate about that, and I'd be interested to know what your thoughts are on that.

I didn't mean to put you on the spot, because I know that wasn't—

Mr. Philip Shearer: Yes, because it's a pretty broad question.

Mr. John Fraser: Yes. Do you think that we should in some way consider some sort of restriction or some sort of monitoring on that? Because I'll tell you, personally, I think that's something we have to ensure that we don't ignore. I think there has got to be some sort of—that's my personal opinion. Now I'm getting down to a yes-or-no answer, but you don't have to—

Mr. Philip Shearer: You're getting down to a yes-or-no answer, and I'm one of those child care workers who says, "I need a lot more detail to make a decision," because everything impacts something else. When I look at those sorts of things, I'm saying, "Okay, power workers and coal, they want business. They're really pressuring us. But some people are going for social issues."

I find that question very difficult, because it depends on whether or not we are doing stuff and pressuring the politics because we want to keep and sell Hydro One, or whether we want to put up those windmills every stretch of the way, in the water, on the water, or whether or not we are pushing for social justice issues that are going to be something else.

To me, there are a lot of different things that really have to be weighed in every one of those decisions. I don't know how you'd put one big blanket on it.

Mr. John Fraser: Yes. The thing is, I'm not trying to put a big blanket on it. I'm just trying to ask, do we have to put some restrictions on that? Because the rub is that after you take a look—and I don't want to take up too much time, because I know my colleagues have questions as well. We have real-time disclosure for political parties, so the thing is, people know when things are happening. It's evident and transparent. People have different interpretations and different opinions about what has happened. But if you have a whole other entity over here that has no restrictions or limitations—if you look south of the border, you can see the impacts on that.

I don't want to belabour that anymore, because I know we have more questions.

Mr. Philip Shearer: Yes, and I don't have a really distinct answer for you.

Mr. John Fraser: Okay. Thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Clark.

Mr. Steve Clark: Thanks, Mr. Shearer, for your presentation. I appreciate your suggestions and your recommendations.

You did talk about levelling the playing field, and big money. One of the things that has come up at our hearings is the tremendous amount of money that the government can spend on advertising. Many deputants have talked about restrictions. Some have mentioned six months. The example I have used at these hearings is Manitoba. Three months prior to an election, the government of Manitoba can advertise public safety, public health advertisements, tenders—if a government agency or a corporation of the government needs a tender or there's a job vacancy, they can advertise—but other than

that, that's not something they can do. Many people have agreed with that.

As well, the Auditor General—I'm not sure if you're familiar with her recommendations in her report last year. The government actually removed some of her oversight. A number of deputants have talked about putting that oversight back in as part of Bill 201.

What are your comments on those two items?

Mr. Philip Shearer: I support putting her powers back in. I'm not a big supporter of them ever telling me what they're doing. I think there are certain things around youth suicide and that sort of stuff where yes, if there are new things coming out, they should probably advertise those. But as for selling the story that they sell, I don't even buy it.

Mr. Steve Clark: They would be those self-congratulatory ads.

Mr. Philip Shearer: Yes, I think they should be banned between elections, not three months before. I think they should be constantly banned. If there's a new program, great. Do it. Advertise it; get it out there. But to just congratulate yourself and pat yourself on the back for a bunch of garbage? No. I would say not three months, not a month—never.

Mr. Steve Clark: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Gretzky.

Mrs. Lisa Gretzky: As the previous presenter had brought up, we're talking about fundraising and access to political parties, to MPPs and ultimately to ministers. What are your thoughts around ministers having fundraising quotas and events where people are basically paying for access to a minister and, in some people's views, potentially influencing decisions that ministers make? Do you feel those should be allowed to happen, but within a certain limitation, or that they shouldn't happen at all? What are your thoughts on that?

Mr. Philip Shearer: If a minister is looking into something, they should maybe go out and seek people, but they shouldn't be having big parties that cost a lot of money. They shouldn't be having golf tournaments with Mercedes, Audis and Maseratis showing up, spending money and influencing how the outcome is going to come at the end of the day. Those people have a lot of money to influence who is going to be building what hospital and who is going to be doing what down the road. It appears to an average child care worker that those folks who show up at those things end up with a lot of contracts.

So I would say no, those should not be happening. Those events should not be there. If I was a minister and I needed to talk to somebody about certain things, I would hold one of these and invite the public out to talk about those things. I think this is a better use of our time and money to find out information than having a golf tournament that's \$800 a hole. For sure, I think they should all be banned.

Mrs. Lisa Gretzky: Thank you.

You had talked about having a box on an income tax return. It's an interesting idea. I'm not sure how exactly

that would be implemented, because now you're talking about affecting federal politics as well as the provincial level, so I'm not sure how they would divide that up.

Not everybody files tax returns on a yearly basis. In your opinion, how would it work, then, if somebody were to not file a tax return—if they filed this year, but they don't file next year and wait until the following year to do two years' worth of tax returns? Would it just be assumed that what they had checked off on that box the year they did file would be the way they wanted their money to continue to be forwarded? Or would no money be forwarded in the year that wasn't filed, and then it would be dealt with when someone actually does file—so you would then have the potential of two years' worth of that money going forward? How would you see that working?

Mr. Philip Shearer: Your latter comment. First, I think that Justin and Kathleen are cozy enough that they could probably figure out how to put a box on my income tax form. They seem to be doing some much harder stuff than that at this point.

Second, at some point, we do file income tax returns. Some folks, depending on their income level, their mental health and whatever else they're dealing with, don't file for seven or eight years. I think when they do catch up, they would be checking off the boxes, and that money could be transferred then. I don't see any reason to rush the money there. I don't know that those numbers are high, and if those numbers are high, perhaps somebody should be running some other questionnaire to figure out how we support those folks to get them in a little quicker, if those numbers are that high that it's hurting the political parties.

Mrs. Lisa Gretzky: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you very much for your presentation. I understand that you said at the beginning that you have been a member of a political party and you've donated to a political party. Do you mind me asking what party that was?

0950

Mr. Philip Shearer: Over the years? Probably everything but Conservative.

Ms. Ann Hoggarth: Okay.

Mr. Philip Shearer: I took biology and chemistry at Western, so I have donated to the Green Party. I have donated to the NDP and, years ago, I would have donated to the Liberals.

Ms. Ann Hoggarth: Great.

Mr. Philip Shearer: I'm from Grey-Bruce. Conservatives, I think, have always been there, and I've never donated to the Conservatives.

Ms. Ann Hoggarth: Thank you very much. Is increased disclosure of information—for instance, your city of residence, who your employer is—something that you would support? Why or why not? That when you donate, you might have to put down the name of your employer. The reason is that it would show whether you are working—you know, you might be there, and

OPSEU might be paying you or OSSTF might be. Do you think that's a good idea? Why or why not?

Mr. Philip Shearer: I think it's an interesting idea, because I think if some employers are helping me to pay my donations or whatever else, that's very handy information, to know where I'm getting \$50,000 to donate or \$3,500 or \$4,700 or \$1,550. So I do think it's rather interesting.

Given that I have two employers—working for the ministry, you know where our raises are at, so I do work part-time in the broader public sector in a group home with developmental adults as well. I don't know that that information would be handy for you.

Ms. Ann Hoggarth: So you don't think that would help to track how corporations and unions—

Mr. Philip Shearer: Whether I make \$4,000 a year at the group home? I don't think that's going to help you a whole lot.

Ms. Ann Hoggarth: Okay.

Mr. Philip Shearer: Do I think that in some cases it could help? Yes. Again, I'm rather waver-y on that. I see benefits and I see no use.

Ms. Ann Hoggarth: Okay. Thank you very much.

Mr. Philip Shearer: I see no negatives with it.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Shearer, thank you very much for your time this morning—I think that the most important thing—and for taking the time to come here and speak to us. You made some very good points. Thank you.

Mr. Philip Shearer: Thank you. Have a great day.

WINDSOR AND DISTRICT LABOUR COUNCIL

The Vice-Chair (Mr. Lou Rinaldi): Next, we have Mr. Brian Hogan, president of the Windsor and District Labour Council.

Mr. Hogan, welcome. I'm not sure if you were here before and heard my spiel. You have 10 minutes to do your presentation, and then we have 15 minutes for members to ask questions. As you start, for Hansard, if you could say your name so that it will be on record. Welcome, and the floor is yours.

Mr. Brian Hogan: Thank you very much. I don't know if I can ask the audio people if they could, or even the speakers—my hearing aid is misbehaving a little bit, so if everybody could do their very best to help me on that, that would be awesome.

Good morning. Thanks for coming down to Windsor-Essex. I really appreciate that you're actually in my riding and Lisa's riding.

My name is Brian Hogan. I'm the president of the labour council, a council made up of about two dozen union locals and approximately 30,000 members. On a regular basis, we tackle numerous issues affecting workers and the broader ordinary citizens. We work on behalf of the members, but we work also with socially active groups. We deal with things like the health coalition, poverty activists, the \$15 and Fairness campaign, the

current OFL Make It Fair campaign and the hydro privatization fight-back campaign. We work with aboriginal people and impoverished people.

During the federal election, we ran an issues-based campaign. The five topics were poverty, environment, democracy, good jobs and health care. This info is not just meant as a backgrounder but also—obviously, as you would imagine, we're politically involved 12 months a year. In particular, we're involved in elections.

Now to the bill: We really don't agree with the drastic changes to an already transparent system. As late as July 9, it continues—the articles. Their job is to obviously sell papers. Some of these changes that were made, if you will, as a fight-back to the media will be affecting ordinary citizens that we advocate for.

As I said, the pushback against the media—unfortunately, the media jumped on about somehow really portraying unions, and thus labour councils, as big fat cats spending lots of money. In a recent 2011 study, it was found that union donations to political parties amounted to about 5%, while corporations were responsible for nearly 40%. I'm not here to bash corporations; I'm here to say that the portrayal, because of the pushback that the politicians have to make because of what the newspapers are saying—we kind of got caught in the middle of it.

The topic of third-party political advertising is a big one for us. As I told you, we were involved heavily in the federal election. It's important to deal with lots of issues. The broader, new definition, that balance of issue advocacy with electioneering—they're two different things. Limitations on third-party advertising can encroach on free speech.

The current wording that you have is fair and it works. In contrast, the proposed legislation radically expands upon the definition. You know the definition, obviously. The two words, “issue” and “associated”—what does it mean to be associated with an issue? There are dozens of issues—the aboriginal, the impoverished people—we deal with on a regular basis. We, as a labour council, and a number of unions, deal with that regularly with our allies. There are dozens of issues that we deal with 12 months a year.

One of the features of any healthy democracy is the ability of citizens to voice, debate public interests. However, the overly broad definition of “political advertising” threatens to capture every issue of public concern under the scope. Regulating the funding for this free speech is tantamount to regulating speech itself, an intervention that threatens citizens' freedom-of-expression rights. We recommend that you retain the current definition.

Campaign period limitations: The proposed legislation places several problematic restrictions on third-party advocacy before and during election periods and will unjustly limit third-party spending on political advertising. We advocate, as I said, 12 months a year. Certainly, a big concern is the establishment of a lengthy, six-month, pre-campaign period during which issues advocacy would also be restricted. This stifles debate.

Often, individual citizens—that impoverished lady down the street or the homeless person—lack means and a platform to raise issues of public concern. Unions and labour councils—we worked on the federal election with a poverty activist group. Collectively, we're speaking for and helping that impoverished woman. The increased restrictions, specifically during election periods, silence voices at the precise moment when the government should be encouraging more widespread debate.

In addition, there's the issue about the six-months-before-the-campaign spending. You probably know: \$76,000 for a one-page ad in the *Globe and Mail*. There goes, essentially, the \$100,000. We recommend that the government make third-party advertising unrestricted at all times outside of election writ periods, and that you contemplate raising third-party political advertising limits during the campaign period to match limits at the federal level. It seemed to work in the last election.

The issue of contribution limits—and there's also one new loophole: Lowering contribution limits is a positive step. It's a good idea. However, there's still going to be influence because some people have money and some people don't. It's really about levelling the playing field. I think we already heard that word before. The challenge, I think, was kind of tied to one of the questions about—attached to where you work.

Eliminating corporate involvement with the proposed contribution limits merely shifts the influence. Instead of the corporations, it will be a bunch of individuals who work in the corporations—and lo and behold, before the election they got a bonus. You probably know what happened in the 1970s in Quebec. It just happens, right? That's the way the game, unfortunately, can be played if there's a loophole.

You probably know that a big loophole is that amounts of \$100 or less “may be considered not a contribution.” I went to a function for Lisa. It cost 20 bucks, 50 bucks. I had a beer and had a good time. That's my little donation. Some of it I get back; some of it I don't because that was the cost of the beer and the salad I had. Any amount of \$100 or less “may be considered not a contribution.” This language is carried over from the current legislation; however in Bill 201 the government has chosen to remove the key clause which says that any contribution made during a campaign period, or a part thereof, must be reported. That has to be taken out.

1000

We recommend that the government set individual contributions at a very modest and fair rate so that ordinary citizens are at the same level as the Bay Street people.

I think a question was asked earlier about government advertising. I agree with you wholeheartedly. I've got it here in my notes: Manitoba and Saskatchewan have not as, if you will, high a level. That has to happen.

Advertising in a commercial saying, “Look how good we're doing; we're glad the government's doing good work”—tell us later if you get re-elected. Stephen Harper was a pro at it for sure, right?

I think that ends my talk. Once again, thanks for the opportunity. I think another person said about the job you do—and I meant to say it in my opening remarks—I don't want your job. I do come to these things when I'm invited, and thanks for inviting me. We do give suggestions. We do give criticisms. But the dedication of any level of politician goes beyond. What they pay you on an hourly basis is—well, we would be fighting for you if we were your union.

Mr. Arthur Potts: For \$15 an hour.

Mr. Brian Hogan: Exactly—\$15 and Fairness. That's why you're in on that campaign. For sure.

The Vice-Chair (Mr. Lou Rinaldi): Thank you. I know that comment was captured in Hansard so we'll use it to lobby for an increase in pay.

Anyway, thank you so much for being here. We have a few minutes for questions. First, Ms. Wong.

Ms. Soo Wong: I defer to my colleague Ms. Malhi.

The Vice-Chair (Mr. Lou Rinaldi): Okay. Ms. Malhi.

Ms. Harinder Malhi: The drafting of Bill 201 has been looking to implement election financing reform, as you know, and it took a significant amount of agreement amongst the parties to get to this point. I'm going to ask you some things and I would like to know which of them you would support.

You talked a little bit about levelling the playing field by putting an end to corporate and union donations. I just want to clarify: You would agree that there should be no corporate or union donations?

Mr. Brian Hogan: As I said, we got kind of caught in on the unions. I'm going to live with that union thing. The public says “big corporations and big unions.” If you're going to have one you're probably going to throw in two. Do I want the union thrown in that mix? No, but I get it.

In terms of the third parties, that's my biggest push. Listen, there are three or four candidates in the region. This candidate is going say, “I am for X.” The other candidates might say, “That's full of crap. I'm for Y.” Who should we really be hearing from about poverty but from poverty activists? Or about trade deals but from Unifor? You name it; there are third-party groups that need to be thrown into the mix.

Then the citizens are going to do the research: “Unifor is full of crap. My union, the Catholic teachers, is full of crap about student wellness, but I really like candidate X. I really get their point.” So the third party—that has to push.

I talked about the individuals paying. I used the word “modest.” I do know my union, OECTA, talked \$100: \$100 for a party; \$100 for this, and so on. I'm not exactly sure. I did a little bit of research. I didn't garner all the numbers from the other unions. As I said, we're in a group that's made up of affiliates. I think the numbers have gone down, but they're certainly not going to match ordinary citizens. They're certainly not going to match a unionized worker. They're certainly not going to match ununionized workers, to some extent.

That loophole about \$50 here and \$20 there has to close. I don't know how you get that loophole about, "I'm going to give my brother and my aunt money."

I do know how you're going to get the loophole about the bonus. I'm okay with saying who I work for. I'm okay with saying that. If all of a sudden there are lots of people spending lots of money from OECTA, holy crow, you must be very well paid, or somehow there is some money coming. But all of a sudden, with some Bay Street firm, everybody's donating.

My dad used to say years ago—he used banks; I don't know if anybody's from the banking world—that Stanfield and Trudeau are going to give him the same amount. They're just going to cover ourselves. My dad's an old CCfer from back in the day.

Ms. Harinder Malhi: How about introducing a per-vote allowance of funding to help in the transition to a more grassroots-funded system and to help enhance democracy?

Mr. Brian Hogan: The \$2—sorry, you're talking about the per-vote thing?

Ms. Harinder Malhi: Yes.

Mr. Brian Hogan: Thanks. Again, I'm a little hard of hearing.

We like the idea. The OFL likes the idea. We would prefer that it not gradually go down.

Ms. Harinder Malhi: And lowering contribution limits for individuals?

Mr. Brian Hogan: As I said, our union, OECTA, has talked about \$100: \$100 for a party, \$100 for a campaign and so on. There will likely be some others who might say that might be a little too low, but certainly you're going in the right direction by lowering it. Close the loopholes and perhaps lower it to a more modest one.

I've donated forever. My dad and mom taught us. We donated forever. I've never donated to your number, and I've never donated to the level that you're lowering it to. It's more than \$100, but it's not at that number.

Ms. Harinder Malhi: How do you feel about limiting partisan political advertising six months before an election? Do you think it should be limited?

Mr. Brian Hogan: I'm sorry?

Ms. Harinder Malhi: How do you feel about limiting partisan political advertising six months prior to an election?

Mr. Brian Hogan: The parties, yes. Third parties, no. Let me just take a peek at—this is off the OFL notes, and I agree 100% with them. We agree here at the labour council.

"The new legislation would introduce a \$1 million spending limit on political parties in the pre-writ"—we're fine with that, but not the government infomercials.

Ms. Harinder Malhi: How about removing the by-election contribution period for central parties?

Mr. Brian Hogan: I'm not in favour of the by-election one. I never knew it even happened until the Globes and the Toronto Stars of the world told us about that.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Ms. Malhi. Mr. Clark.

Mr. Steve Clark: We're okay time-wise, Chair?

The Vice-Chair (Mr. Lou Rinaldi): Yes, yes.

Mr. Steve Clark: Okay, perfect. Thanks for your presentation. I appreciate that you addressed my question for the previous deputant regarding government advertising.

At the very front end of your presentation, you spoke about your five-point issues-based campaign in the last federal election. Can you give me an idea of what you would have spent? Because it was a long election period. Can you give me an idea of what you would have spent on that issues campaign during the election?

Mr. Brian Hogan: I think I have a rough idea of what the number is. I do know that CLC was monitoring it, because they were the umbrella group for—we were one of their labour councils across the country.

It was 10 grand, maybe? It was an important election.

Mr. Steve Clark: And it would have covered all of the Windsor ridings, Windsor and the area?

Mr. Brian Hogan: Yes. It was an issue-based campaign. For example—I should know the group; it was a poverty activist group. We have a group—help me out here. That's terrible.

Anyway, a poverty activist group was doing billboards across the nation. We donated a couple grand to them. Then we did flyers and we had members drop off flyers about health care. We had David Suzuki in town for the environment. It was just little things, but it went pretty far, like dropping off flyers for candidates.

Do you know what the best part about it was? It really was. We had members, at least in my local—they're busy teaching. They vote, but they're not super politically active. But when it was an issue that they really thought was important, they got involved in the issue. They might not even have voted for the party that I hoped they might vote for, but they got involved in the issue and they got educated, and they educated a hundred people in the neighbourhood when they dropped the flyer in their mailboxes.

Mr. Steve Clark: I just want to reiterate it, because I think you covered it with Ms. Malhi's question: You're fine with the suggestion to increase openness and transparency, so that part of the Elections Ontario disclosure lists people's names and their contribution levels? You're okay with an amendment adding their employer?

Mr. Brian Hogan: I'm okay with that, and the reason I'm okay with that is that citizens need to know stuff. That's what transparency is. Overall, I think the current law is very transparent. Again, the media stuff has put pressure to add things that don't need to be in there. I'm going to guess there's going to be more from a company on Bay Street than from our union.

1010

People say, "Why are all these people doing it?" Because they're political activists. Being involved is political activism. I suppose working on Bay Street, in some way, is political.

So, absolutely not. Not a problem at all.

Mr. Steve Clark: Thanks, Chair.

The Vice-Chair (Mr. Lou Rinaldi): Ms. Gretzky.

Mrs. Lisa Gretzky: Thank you for coming to present. I didn't want to interrupt anybody, but I believe the fellows running the sound actually set something beside you with an earpiece, if you're having trouble hearing us.

Mr. Brian Hogan: I've done okay. Thank you for that. I didn't see you put it down. Thanks, for next time.

Mrs. Lisa Gretzky: I have a question around the third-party issue. In your opinion, should all third parties, those that are advocating—and I like the way you're putting advocating, because in many cases that's what they're doing. They have a concern, and they're advocating on behalf of everyone else who shares that concern.

Do you think that all groups, whether it be a union, whether it be the health coalition, or an independent poverty reduction group—do you think that they should all be considered to be the same thing? Should they all be under one—often, when we're talking about third-party advertising, people automatically go to, "It's unions doing it or large corporations doing it." What I'm asking is, do you feel that independent community groups like our poverty reduction groups, those that provide shelter for the homeless, should also be included under the same umbrella as a union or a corporation would be, when it comes to third-party advocacy or advertising?

Mr. Brian Hogan: I don't think I would have a problem with it. The challenge is clearly—as I said, we donated to that poverty group, and they were the voice because they know the stats.

If more full disclosure helps the citizens—I mean, if poverty group X spends 500 bucks, but if this labour council or this union helped, I'd be okay with that. To me, disclosure is not going to hurt this system.

Mrs. Lisa Gretzky: Do you feel, as the legislation is presented through first reading, that it gives an unfair advantage to the government—the current government, and any government that may form after them? Do you think it would give them an unfair advantage, as drafted, when it comes to using public dollars?

We heard another presenter when we were talking about the government trumpeting all their successes and the wonderful things they're doing or have done. Do they have an unfair advantage because they can use public dollars to talk about the great things that they've done as a government, and then they also have a separate opportunity as a party to advertise? Do you think that creates an unfair advantage for them over the advocacy groups, the third parties, that would come forward and say, "We have concerns about the current government," or "We have concerns about a particular party that is now up for election and potentially forming government"?

Mr. Brian Hogan: I don't think there's an upside. For the citizenry, there's no upside for infomercials. Spend the money, do good work that a government is doing and plod along. If we need the MPPs to say, "Look, we just built you this new bridge" or whatever, that didn't cost any money. That's the MPP doing their work.

The three parties, pre-writ: Here's your money, here's your \$1 million max. We don't need infomercials; we just need the government to keep working hard.

I can call my MPP. I can write to cabinet ministers. I can watch Queen's Park on television to know the infomercial or the good stuff that's happening. I go on websites. The websites have been improved over the years, obviously.

Mrs. Lisa Gretzky: So then are you suggesting that the government should not be using public dollars and putting out those commercials—

Mr. Brian Hogan: That's correct.

Mrs. Lisa Gretzky: —that advertising, during an election period? If so, what would the limit be? Would there be a limit? They shouldn't do it three months prior, they shouldn't do it six months prior to an election—

Mr. Brian Hogan: I would say—sorry.

Mrs. Lisa Gretzky: Where would the cut-off be? Should they not do that kind of advertising and put out that information at all, ever? Or should it be allowed up until a certain point before an election?

Mr. Brian Hogan: I think in Manitoba, it's six months. I would say at least the six months. You know what? It seems like the ministers are getting together—sorry, the Premiers are getting together quite a bit lately. It would be interesting to have—I know they have lots of important issues to talk about. They did some good stuff on trade. It would be interesting to have all the Premiers get together—and perhaps Trudeau—and talk about these kinds of things. Let's be fair to our citizenry. Let's spend the money on taking care of them, and not have the perception of taking care of ourselves.

Mrs. Lisa Gretzky: Do you think there should be a distinction, and if so, do you have a suggestion on what is considered advocacy as opposed to political advertising? Is there a difference between saying, "We don't think you should vote for this particular party," or "We're not happy with the current government and we don't want you to elect them again," as opposed to—as we saw here in Windsor around health care, that became a big issue in the federal campaign. For advocacy groups, smaller groups—for instance, we're seeing families with children with autism that came out and rallied. We see families who have children in provincial and demonstration schools who are not happy with the direction that's going, who have come out and shared those concerns. Is there a line between what those people are doing and what is actually considered political advertising? Do you think there's a line?

The Vice-Chair (Mr. Lou Rinaldi): You have about 30 seconds to wrap up, please.

Mr. Brian Hogan: Sorry, sir?

The Vice-Chair (Mr. Lou Rinaldi): Thirty seconds to wrap up.

Mr. Brian Hogan: Thank you.

I think that's maybe where unions get kind of thrown in the middle. Candidate X is nasty or party Y is nasty. I think we can ask simple questions: What is your candidate in your region doing about precarious work? What

are they doing about poverty? What are they doing about free trade, or whatever the case would be? I think citizens would realize—when the three or four candidates speak, they'll say, "Oops. That's the party I'm going to vote for."

The Vice-Chair (Mr. Lou Rinaldi): Thank you, with that last comment. Thank you very much for being here—

Mr. Brian Hogan: Thank you. It has been great.

The Vice-Chair (Mr. Lou Rinaldi): —and for bringing your insights to the debate. Much, much appreciated.

Mr. Brian Hogan: Thanks for coming to Windsor-Essex. I appreciate it.

The Vice-Chair (Mr. Lou Rinaldi): It's good to be here.

THUNDER BAY AND DISTRICT INJURED WORKERS SUPPORT GROUP

The Vice-Chair (Mr. Lou Rinaldi): Next, we have Steve Mantis, treasurer of the Thunder Bay and District Injured Workers Support Group. He is via teleconference, and from Thunder Bay, I presume.

Mr. Mantis, are you there?

Mr. Steve Mantis: Yes. Hi.

The Vice-Chair (Mr. Lou Rinaldi): Can you hear us okay?

Mr. Steve Mantis: Yes, loud and clear.

The Vice-Chair (Mr. Lou Rinaldi): Very good. The process is that you have up to 10 minutes—you don't have to take the 10 minutes, but you're welcome to—for your presentation. Then we have 15 minutes for possible questions or clarifications from the members who are sitting here in Windsor, to deal with Bill 201.

If you could state your name at the beginning of your presentation, it would be much appreciated, and that's for Hansard. Mr. Mantis, the floor is yours.

Mr. Steve Mantis: Okay, thank you very much, Chair. My name is Steve Mantis, and I am the treasurer of the Thunder Bay and District Injured Workers Support Group.

Thanks so much, as well, for the opportunity to present. I was hoping you'd come to Thunder Bay. This is the first time I've ever presented over the telephone, so I'm kind of going, "How does this really work? Oh, my gosh."

My opening comment would be that Bill 201 is a good step forward, particularly around strengthening democracy. I think that's a really important component, as we look at the future of our society in Ontario and Canada.

Let me tell you a little bit about our group. The Thunder Bay and District Injured Workers Support Group was started in 1984. We have two or three main things we do. Number one is we provide information and support to injured workers and their families, trying to let them know how the system works and how they can navigate it more easily. The second is to engage with policy-makers and decision-makers in the government

and in the bureaucracy to try to make the whole system work better for all workers. In my case, I was both a worker and an employer, and I would like to see the system work better for both of those groups.

We're also part of the Ontario Network of Injured Workers Groups, which is our provincial organization that has 22 local groups involved. I am the chair of their research action committee. We have been working closely with academic researchers in a number of universities in Ontario and across Canada to try to really understand what happens to workers once they get hurt, particularly those with a permanent disability, a permanent impairment—a serious injury that will last their lifetime.

1020

Coming back to strengthening democracy, what we see are growing disparities in society. We see them clearly with injured workers. I lost my left arm in a work accident back in 1978. I've seen both personally and then documented through the research, and by talking to full-time advocates, how the system has really deteriorated in terms of the level of support that it provides to people with a permanent impairment.

At the same time, we see right across society growing gaps in terms of income inequality. For many years, following World War II, really, in the 1950s, 1960s and 1970s, Canada was at the forefront to really provide some social justice and to reduce those income gaps, which resulted in a stronger society. We're seeing that direction reversed, where most of the wealth that gets created ends up with that top 1% or 2% in society.

What goes along with that—and we see this documented more and more—is that the political power in our country seems to follow that same pattern. Individuals and workers are losing out big time in terms of access to that political power. Of course, all the foofaraw that started this journey on Bill 201 was that fundraising dinners that are \$100, \$500 or \$1,000 a plate, which are impossible for most people to participate in, seem to be the way to access government officials.

I think that's entirely wrong. It leads to alienation, depression and despair in society, where normal people—and you hear this all the time—say, "It doesn't matter what we think. The politicians aren't going to really listen to us. They're listening to the big boys. It's all about supporting big business, big corporations." I think that is weakening our society across all kinds of levels.

We see it in our own world with injured workers. Research we've been involved in found that 46% of all injured workers with a permanent impairment—these are the long-term disabled—are clinically depressed; 57% of the homeless people in Toronto were hurt at work. The system that is supposed to provide support to vulnerable workers when they become impaired or disabled is no longer providing the support that it was intended to, and the focus is really on reducing premiums, primarily to big corporations. Billions of dollars have been shifted from workers, who spent their time, were loyal employees, got

hurt and are more or less thrown on the scrap heap. So this bill, in terms of election financing, is one opportunity to start addressing this growing disparity in society.

We think that the idea of tax-funded dollars tied to votes is a good idea. We're seeing more and more emphasis on raising lots of money and spending that money on the big advertising campaigns that oftentimes don't really talk about the issues in an important way. It's all spin, and that doesn't really strengthen our democracy. Let's talk about the issues. Let's engage more and more people in our communities to talk about what we can do together because the solutions are not going to be done, clearly, just by government or any one group. It's really by working together that we'll find the solutions for the challenges in our society.

Also, I support the reduction of contribution limits, in terms of campaigns. I think that's good too. The more that people feel like that is more of a level playing field, that everyone can participate in that election process and that my \$100 is as much as the rich folks' \$100, I think that's a good step.

In terms of strengthening our democracy—and it's really strengthening our society—I think it plays out in many ways. Certainly, with injured workers we see that when you feel like you've got more control and you are being supported, your recovery is more rapid and you're able to participate more fully again in society. But, when you feel that you don't have the support, that the system is rigged for those who are well off, that's where you end up having more problems like family breakups. There are all kinds of social problems that happen as a result of that.

I think we see that in the general population as well. It's reflected; people are not even voting anymore because they go, "Well, it doesn't matter. They're all captive to the corporate elites and Bay Street." I think we really need to—

The Vice-Chair (Mr. Lou Rinaldi): Mr. Mantis, I don't want to interrupt, but you have about a minute to wrap up, please.

Mr. Steve Mantis: Okay.

A couple of the things that weren't addressed and, I think, that are important to think about are—really, the impact of the monopolies we have in our media these days. I found it interesting—I ran provincially in 2011 against my friend Mike Gravelle, and we hardly got any media coverage at all in our local media, which are mostly owned by conglomerates. They focus on, really, the whole spin thing rather than addressing the serious issues we need to talk about.

The other thing—and it was talked a little bit about—is volunteering in election campaigns. Now, you get a tax credit if you put in money, but how about getting a credit if you volunteer time? Because that is way more important, I think: engaging the people as volunteers in the political process and finding ways to acknowledge the work that they're doing and give them credit for that.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Mantis, I'm going to have to—I don't want to cut you off, but you have about 20 seconds.

Mr. Steve Mantis: No, I'm good. We can move to the Q&A.

The Vice-Chair (Mr. Lou Rinaldi): Thank you so much. First up: Mr. Fraser.

Mr. John Fraser: Thank you very much, Mr. Mantis, for presenting here today. It would have been great to have been up in Thunder Bay, but we actually set a fairly high threshold to be able to travel, I thought—or a fairly low threshold, I should say—of about two hours. It would have been good to be there. We appreciate you taking the time to present to us today.

First, I want to thank you for the work that you do. Advocacy for people who have been injured in the workplace is a very important thing, and in a lot of our constit offices, we're all familiar with that, the importance of that and of people in our communities who need that kind of advocacy and who come to us looking for help sometimes.

I know that when we go through these committee hearings and some of the media reports, it looks really bleak, that politicians aren't actually listening to the people that they serve. I want to assure you that I know, myself, when I look at my colleagues around the table and my colleagues in the Legislature, there are very good people who do connect with regular people, who have challenges and problems and ideas.

It is a bit more of a challenge for ministers, but I know ministers as well who do that. I know Kevin Flynn has been to my riding. I know he has met with individuals to hear their story and to get that request. I think that sometimes it looks very bleak, but we have a lot of good people in the Legislature.

1030

One of the hardest things in politics, and this is why we're here, is that affluence, money and sometimes education enable people to have a fairly loud voice, a voice that can be heard very easily because they can afford to advertise it, they can afford to get whatever wherewithal they need to be able to be heard. Our challenge is to try to listen for those voices that are harder to hear, which are the people who aren't as affluent and can't speak up quite as loud or have two jobs.

I was talking a bit earlier about third-party support or third-party advertising or third-party involvement in elections. I think it is important that people have the right and organizations have the freedom to speak on behalf of the people who they represent, but there is a risk when we throttle down on political donations—which I think is the right thing for us to do—that it will pop up somewhere else.

For an organization like yourself, I think the work that you're doing and your involvement in an election would be important. But you could have a situation where—not necessarily your organization—an organization was a proxy for another third-party organization that said, "Here, I'm going to give you \$200,000. Knock yourself out," because they had a special interest. And it doesn't matter whether that's a corporate or union or what kind of interest that is.

I'd be interested in knowing what your thoughts are on how we actually ensure that in the electoral process, the influence of third parties is appropriate in terms of how we manage that, how we regulate that and what restrictions, if any—do you have any thoughts about that?

Mr. Steve Mantis: For me, the biggest risk is the stuff that doesn't ever get counted, and that is the control by the media that we have. It's crazy. Here in Thunder Bay, for instance, we have one daily newspaper and they're owned by a big chain right across the country. We have almost no news left here. They've laid off almost all of our reporters, so the news they have is done by fewer and fewer staff with more of a philosophical—or right-wing, really, oftentimes—angle. So the news we're getting isn't representative, certainly, of our community, and it's not representative of the broader debate. None of that is counted at all in terms of political advertising. That's the free market; they're allowed to do whatever they want.

The drawback is that we have fewer and fewer sources of mainstream news and most of it, it seems to me, has got a political slant to it. So to me, that's where the biggest risk is. Some of the advertising that you see during a campaign by third parties—to me anyway, it's really clear that they've got a real bias and they're pushing it. I really don't pay much attention to it, honestly, so I'm not sure how much that plays out with the rest of society. I can't really say.

Mr. John Fraser: Very quickly: I know the influence of the media. I think it's very hard to regulate or restrict or monitor that. But what I would say is that I think the diversity of people's ability to get information now has expanded. Mainstream media, as we see, is shrinking and shrinking, and the ability for people to pump out information to people is almost universal and accessible.

We thank you very much.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Mr. Fraser. Ms. Gretzky.

Mrs. Lisa Gretzky: Thank you, Mr. Mantis, for phoning in today. It's unfortunate that the committee didn't go to northern Ontario, but I'm thrilled that you were able to call in to us down here in the deep south of Ontario.

You talked a lot about equity, specifically to the group that you work with, the injured workers. We've expressed concerns, as have others, around the ability for people such as the injured workers you work with—limiting their voice during an election campaign and their ability to advocate and say that these are concerns that they have, these are the realities that they're living and they don't feel that a certain party, whether that happens to be the government side or another party—they don't feel that their needs are being met or their voices are being heard.

There are concerns about limiting organizations like yours from being able to advocate on behalf of the people they serve. This was a question I asked another presenter: Do you have concerns around the government's ability to put out advertising talking about the work that they've been doing, but then also being able to put out ads as a

political party? Do you feel that is fair compared to a group such as yours? Do you think that's a level playing field? Do you think it needs to be changed and if so, what would you like to see changed?

Mr. Steve Mantis: I find it offensive that the government of the day, leading up to an election, spends my tax dollars to promote themselves so that we'll vote for them again. Let's have the discussions on issues rather than the spin.

You know, it's funny. I went to university back in the 1960s and early 1970s in the States and we learned that Governor Rockefeller in New York was the first one to do this, to much success. Now you see it all over the place. I find it offensive that they're using my money and our money to promote themselves.

I think government has a valid role in using advertising to engage us in discussion about serious issues, but just using it as a way to promote themselves I think is certainly unfair and unjustified.

Mrs. Lisa Gretzky: To build on that, then, do you feel that pre-election—I'm talking about outside of an election period—there is a place for government advertising so that they're getting information out to the public about what they're doing, but maybe there should be a limit? When we're going into an election period, should that advertising stop, should there be a certain period of time when they're not allowed to put those ads out? Or are you suggesting that the government should never be able—whichever government it may be, regardless of what party it is—to put out advertising at any time, whether it's during an election or not, putting out information to people about programs and such?

Mr. Steve Mantis: I support that the government can do advertising to inform folks about programs and services that are available. I think that's just fine. Leading up to an election, probably we should restrict that.

Once again, in my mind, it's fine to say, even leading up to an election, "We've got valuable programs and services, and here's what they are and here's how you access them," but I think the risk is that it's really hard to police that. It's so easy to turn it into spin that says, "Look how good we are," rather than really sharing valuable information. So probably a restriction leading up to an election is a good idea.

Mrs. Lisa Gretzky: Thank you.

The Vice-Chair (Mr. Lou Rinaldi): Thank you, Ms. Gretzky. Mr. Clark.

Mr. Steve Clark: Thanks, Steve, for your presentation. You're the treasurer of the Thunder Bay and District Injured Workers Support Group, right?

Mr. Steve Mantis: Yes.

Mr. Steve Clark: How many of your support group members could afford a \$10,000 fundraiser to access the Minister of Labour?

Mr. Steve Mantis: Absolutely none. Some of our members can't even afford the \$10 annual membership fee, honestly.

Mr. Steve Clark: One of the deputants we had this week was the Chief Electoral Officer for Canada. One of

the loopholes—because let's face it, there are a lot of loopholes in this bill right now that people have brought to our attention. One of the things that I asked him was about legislation that they have at the federal level—I think it's actually at the ethics commissioner level—where there's a restriction on lobbyists and cabinet ministers. One of the things we have that govern our behaviour and cabinet ministers' behaviour is something called the Members' Integrity Act. That's a piece of legislation that's administered by the Integrity Commissioner. Do you think that given the cash-for-access scandal that we've seen with this government, we should really consider strengthening that Members' Integrity Act when it comes to cabinet ministers and access to lobbyists? Do you think we should shine a light on that section and try to look at what they've done at the federal level?

Mr. Steve Mantis: I don't know enough about that act to comment specifically on it.

I think that we in Canada operate in a global world. You just have to look south of the border to see some of the big influences we have. It's scary to see more and more of those practices coming in. They talk about that to become a congressman in the States, it's going to cost you \$500,000. When I ran here, I think we raised \$32,000 or something like that, and we had a good campaign. I would hate to see us moving in the direction

further as we are in the States. I mean, the idea that Premier Wynne would ask each cabinet minister to raise \$500,000 for the party is irresponsible and disgusting, really, especially for a so-called social justice Premier.

Strengthening our abilities to be able to defend against those with the big bucks—and oftentimes that's the pharmaceuticals, the insurance industry and some of the big industries that have lots of money. And we see it in workers' compensation, the lobbying that's gone on. They spent \$1 million and they got \$1 billion back in return because that's how much premiums were reduced, \$1 billion a year. They see that's a good investment. "If we can influence those decision-makers, we'll be able to get a big return on our investment." I think we really have to defend against that.

Mr. Steve Clark: Thanks very much.

The Vice-Chair (Mr. Lou Rinaldi): Mr. Mantis, thank you so much for sharing your thoughts with us today. Once again, if there are any further comments you would like to add, or your submission, can you please send it to the Clerk?

I'd just like to remind members of this committee that our next scheduled meeting—subject to change, as it has been all along—is August 11 in Toronto. Having said that, for good behaviour, we're done for the day. Meeting adjourned.

The committee adjourned at 1042.

CONTENTS

Thursday 28 July 2016

Election Finances Statute Law Amendment Act, 2016, Bill 201, Mr. Naqvi / Loi de 2016 modifiant des lois en ce qui concerne le financement électoral, projet de loi 201, M. Naqvi	G-1399
Mr. Enver Villamizar	G-1399
Mr. Philip Shearer	G-1404
Windsor and District Labour Council	G-1407
Mr. Brian Hogan	
Thunder Bay and District Injured Workers Support Group	G-1411
Mr. Steve Mantis	

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